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FEBRUARY 27, 1932

In Two Sections  
Section I

## The Weekly Magazine for MARKETING EXECUTIVES

# SALES management

What 29 Companies  
Are Doing to Sell  
Their Stockholders

Has Industry Gone  
Price Crazy? . . . . .

American Firms Take  
Steps to "Dig Under"  
British Tariff . . . . .

Price \$1 with Section II



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For every hundred farm houses in the country at large there are forty with phones.

For every hundred in Vermont there are sixty with phones.

In this simple statement is found both reason and proof of the ability and desire of Vermont farmers to purchase goods they see advertised. Vermont farmers spend money because their farms are profitable and their income regular.

Vermonters respond quickly and often to the advertiser's influence, because with phones a purchase does not necessarily mean a trip to market.

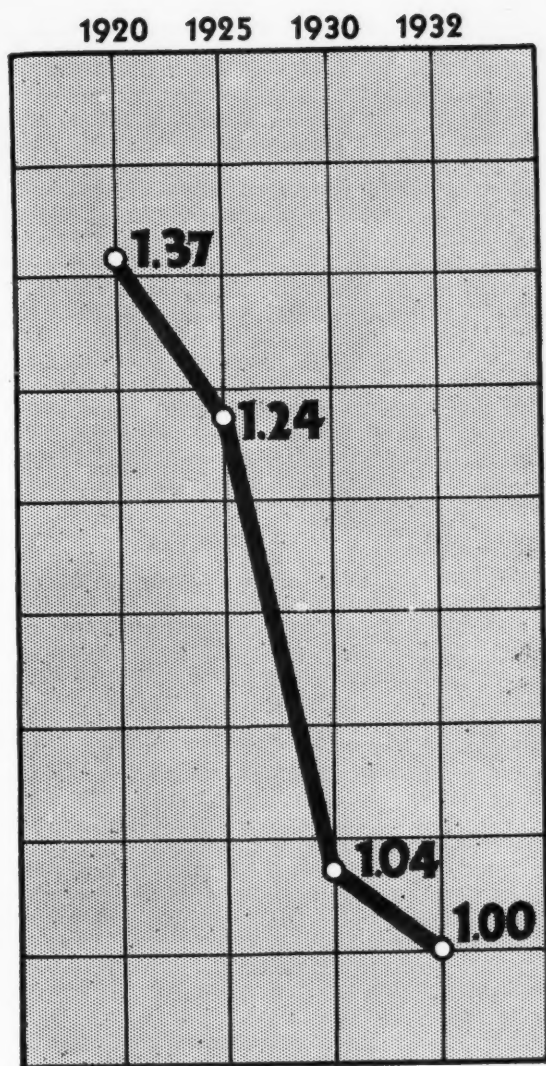
Six dailies, members of Vermont Allied Dailies, offer the advertiser a unique opportunity to sell the entire state as a unit. These member papers completely dominate Vermont from the six major trading areas. Any one of these publications will be glad to send detailed information on the Vermont market upon request.

## VERMONT ALLIED DAILIES

BARRE TIMES  
BRATTLEBORO REFORMER  
RUTLAND HERALD

BENNINGTON BANNER  
BURLINGTON FREE PRESS  
ST. JOHNSBURY CALEDONIAN-RECORD

# LOWEST ADVERTISING RATE IN AMERICA



This Graph Shows Decline in The  
Kansas City Star's Milline Rate

THE KANSAS CITY STAR'S  
ADVERTISING RATE AS  
OF FEBRUARY 1ST IS  
\$1.00 PER MILLINE ...  
LOWEST RATE OF ALL  
AMERICAN NEWSPAPERS

## THE KANSAS CITY STAR

A MEDIUM FOR THE TIMES • MORE THAN 600,000 COPIES DAILY

Published every Saturday and copyrighted by SALES MANAGEMENT, INC., 420 Lexington Ave., New York, N. Y. Subscription price \$4.00 a year in advance.  
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## He didn't count sheep jumping a fence

**N**O SIR! The guest we have in mind had his own cure for insomnia! He asked us to furnish a thermos bottle full of hot milk, so that he could have it by his bed, in case he woke up at night, take a drink ...and then get to sleep again! Thermos bottles and hot milk aren't part of the standard equipment of United Hotels... but we do have large, airy high-ceiling rooms, with a feeling of pleasant freedom... and the beds... well, if you've ever slept in one of our hotels you know how good they are! So there's very rarely occasion for insomnia at any of the 21 United Hotels listed below.

*Extra service at these 21*

### UNITED HOTELS

NEW YORK CITY's only United...The Roosevelt  
PHILADELPHIA, PA. ...The Benjamin Franklin  
SEATTLE, WASH. ....The Olympic  
WORCESTER, MASS. ....The Bancroft  
NEWARK, N. J. ....The Robert Treat  
PATERSON, N. J. ....The Alexander Hamilton  
TRENTON, N. J. ....The Stacy-Trent  
HARRISBURG, PA. ....The Penn-Harris  
ALBANY, N. Y. ....The Ten Eyck  
SYRACUSE, N. Y. ....The Onondaga  
ROCHESTER, N. Y. ....The Seneca  
NIAGARA FALLS, N. Y. ....The Niagara  
ERIE, PA. ....The Lawrence  
AKRON, OHIO. ....The Portage  
FLINT, MICH. ....The Durant  
KANSAS CITY, MO. ....The President  
TUCSON, ARIZ. ....El Conquistador  
SHREVEPORT, LA. ....The Washington-Youree  
TORONTO, ONT. ....The King Edward  
NIAGARA FALLS, ONT. ....The Clifton  
WINDSOR, ONT. ....The Prince Edward



# Survey of Surveys

BY WALTER MANN

## Facts on Foodstuffs

"Compared with other industries, the food industry came through 1931 with better earnings than most. The relentless daily demand for food maintains a constant market for its products—a market which

changes principally on its price level and very little in total volume.

"Declines in tonnage of food sales, estimated to be between 5 and 6 per cent, are interpreted not to mean that people are eating less, but that their efforts to economize, forced upon many by the depression, are causing them to draw more from the primary



Pirie MacDonald  
Walter Mann

food sources where the transactions do not appear in the usual statistics of trade. . . .

"Competition for sales of both raw and manufactured foods aggravates the problems of distribution and inter-commodity competition, and places the manufacturer in an unenviable position when he tries to maintain an adequate profit margin."

All these and other sage comments amplifying the above statements are found in a brochure recently published by the McGraw-Hill trade paper, *Food Industries*, which is described as "The journal devoted to the problems of the food manufacturer."

This brochure has been published—the preface says—to help the manufacturer who is selling in this market, through a composite statistical picture of the food field as it is today.

There follow eleven pages of well-chosen data on the food industry which include the following information:

1. First, a summary of food production data from the 1929 Census of Manufactures under 32 different classifications, ranging from bakery products and beverages to vegetable oils and vinegar. These data include the number of establishments, the number of wage earners, the total volume of products manufactured (which is again subdivided as of several of the 32 classifications), and, last, the percentage of cost to value for 1927 and 1929.

(2) Under an analysis by counties, showing where the nation's food is manufactured, it is seen that 22 widely scattered counties produce one-fourth of all the food manufactured in the United States, whereas the next fourth is in another 120 counties. Thus a coverage of 142 counties will include 50 per cent of the food manufacturers of the United States! Data are also given in this section on the most heavily populated counties vs. the heaviest food manufacturing counties; and, finally, a tabulation by food products or industries showing the number of counties in which various types of foodstuff manufacturers have plants.

(3) Next we find data on income tax returns of food manufacturers for 1929

showing total number of returns, also the gross income and the number of returns from food manufacturing corporations reporting an income, as well as those not reporting one; also the number of inactive food corporations; all this by states and territories.

(4) Next, a picture of building activity in the food industries, which shows the number of projects, their estimated value in 1929 vs. 1930, also vs. the first eleven months of 1931 in ten classifications.

(5) Next come detailed figures on financial conditions in the foodstuff manufacturing field, including (a) a complete operating summary which shows receipts and disbursements in percentages and in dollars (\$14,776,000,000 for 1929); (b) a composite balance sheet of U. S. food manufacturing corporations showing group assets and liabilities; (c) figures by product groups on the gross incomes (also the net incomes and deficits) of corporations, and (d) a summary of the growth of the food industries as indicated by incomes and deficits since 1921, yearly.

(6) Next comes a series of tables too extensive to describe, tables that cognize food as a factor in employment, in national income, in manufacturing activity, in agricultural return, in railway freight revenue, etc. Certainly one's respect for the part food plays in our daily human activities should extend far beyond any fleeting ideas S. O. S. may have had before going through this brochure.

(7) Next we see data on the wholesale food trade in the United States, and in the leading centers of the United States. It is interesting to note that 56 per cent of the total balance of wholesale food trade is in 12 centers; and that 75 per cent is actually concentrated in 50 centers.

(8) Then comes information on the retail foodstuffs trade in the United States. Did you know, for instance, that foodstuffs constitute 27 per cent of all retail trade, thus surpassing even the automotive sales volume by nearly 10 per cent?

Finally we have a very keen dissertation on intelligent distribution methods and planning; and a series of charts showing the status (by months since June, 1929) of foodstuffs as an industry vs. all industries as measured by the following indices: (a) production (foodstuffs are highest), (b) average weekly stock market closing prices (foodstuffs slightly higher), (c) finished stocks on hand (lower), (d) electrical energy consumption (higher), (e) employment (higher), (f) general commodity prices (much higher), (g) per cent of full-time operation (about the same), and (h) corporation net profits vs. that of machinery (higher).

In recent years there has probably been no more diverse and no more pertinent a private collection of information on the subject of foodstuffs compressed into eleven pages than we find in this brochure. It is definitely recommended for the files of anyone interested in the foodstuffs field. Write direct to H. A. Haworth, manager of the Advertising Department of the McGraw-Hill Company, New York City.



## What's New

¶ Many companies whose stocks are publicly owned are losing excellent opportunities in making sales capital out of their stockholders—not only in selling them goods and services, but in getting them to help in reaching new customers. What some of our leading corporations are doing along these lines is summarized in an article in two parts by Lawrence M. Hughes. Page 286.

¶ C. D. Garretson is among the most popular of all the men who contribute interviews and signed articles to SALES MANAGEMENT. He has another vigorous, thought-provoking article this week. "Has Industry Gone Price Crazy?" Page 290.

¶ With this magazine this week, subscribers are receiving a special supplement entitled "Managing Salesmen in 1932." If you like this type of special service, write and tell the editors.



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# Sales Management

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# Government in Business

BY JAMES TRUE

Director, Washington Bureau

WASHINGTON, D. C., February 24.—Approval by the Treasury of a sales tax on manufactured products and covering a wide range is fairly well assured. Lobbies of industries are now more active in playing for small tax rates than they are in working for exemption. It is expected that many articles and products that are extensively sold will be moderately taxed to produce approximately \$600,000 a year.

With this increase in Federal taxes in prospect, the demand for lower state and local taxes is assuming the aspects of a national campaign. In the District of Columbia a proposal to increase taxes, which are comparatively low, is meeting with aggressive opposition from the public.

After the coming presidential election, consolidations and reorganization of many government bureaus and divisions will result in marked economies. Local and state governments are reported to be responding to the demand for economy, and one of the good things to come from the depression will be a wiser and more economical spending of public funds that will result in a trend of decreasing taxes for several years to come.

**A General Business Outlook**, one of the most interesting and dependable of the innumerable forecasts made during the depression, will soon be issued by the publishers of *The Kiplinger Washington Letter*. This special report will be compiled from 1,800 confidential letters from business men representing a cross-section of opinion in all lines of business and in all sections of the country. No farmers, no wage earners and "fancy theorists" are represented. All of the letters are confidential, many are from nationally known business men and companies, and they undoubtedly express the best business thought regarding conditions today, showing what representative business men are really saying, thinking and finding in their work.

**A Summary of the 1,800 Letters** shows that the general tone is relatively good and constructive. There is an absence of a hopelessness and all-gone feeling which was detected in similar correspondence two months ago. Troubles and difficulties are expressed; but they seem to be more tangible and consequently less fearsome than a short time ago.

**Signs of Business Improvement** are not frequently expressed by the letters. "Most of the correspondents do not expect a permanent recovery before next fall. Most do *not* expect lower levels of business between now and then. Some expect spotty improvement, notably in lines dependent on motors." However, the letters plainly show that sentiment and confidence have generally improved during the last few weeks.

**Government Attempts to Bolster Business** are regarded hopefully by the writers of the 1,800 letters, and with a degree of satisfaction; but there is no great amount of enthusiasm, and no strong hope that political measures alone will make better business. Excessive government ex-

penditures, local, federal and state, are deplored by a very large proportion of the letters. . . . The complete report in the form of a special Kiplinger letter will be exceptionally significant, because it is the first optimistic forecast published by Kiplinger for more than three years. We have reserved a limited number and copies will be mailed to those readers who request them promptly. Address: Washington Bureau of SALES MANAGEMENT, 1099 National Press Building, Washington, D. C.

**The Break-up of Party Cooperation**, never anything but an emergency expedient, has started with the Garner blast against the Hoover government reorganization proposition; but it is doubtful that the change will affect business and financial legislation now in the making. The House Committee that is investigating the various departments and bureaus is largely democratic and is unquestionably on a hunt for political ammunition. Its findings will not be considered seriously by government officials.

**Leading Patent Attorneys** report an increase in their business in practically all lines during the last thirty days. The filing of both patents and trade-marks is by manufacturing concerns, not by individuals, and the increase will soon reach the Patent Office.

**At a Closed Meeting** of government and other economists recently, the subject of the killing of future business by manufacturers was discussed. It was finally agreed that more statistics are required for the buyers and consumers of merchandise, in order to check the demoralizing effect of the abnormal demands created by advertising drives and loss leaders. For example, it was shown that the demand for manufactured goods during 1929 was abnormal and largely the result of forcing merchandise, and that if this abnormality could have been measured much of the subsequent overproduction could have been prevented. And it is possible that this subject will be studied in the near future by a government organization.

**The Professional Clash with Commerce** is found to be a serious handicap to the retail drug business by the Department of Commerce. The department finds that the prescription department is the foundation of the drug business, that it is the prestige department, and that it is the one thing that distinguishes the drug store from other types of retail outlets. However, the department is finding considerable professional resistance to the indicated necessity for greater sales and profits through cost control and sales promotion in the prescription department.

**Objections to Government Questionnaires** from the public are reaching the investigating organization direct and through Senators and Representatives. Both men and women are complaining that the questionnaires necessitate an expense that is burdensome and that they are annoying. In the future the organizations will take the trouble to explain why and how the investigations will benefit the public. However, despite the complaints, the returns from mailings to the public on the Drug Survey have exceeded 18 per cent.

# Significant Trends

*As seen by the editors of Sales Management for the week ending February 27, 1932:*

• • • Of gratifying significance is the news that one large banking corporation returned within five days a loan of about \$1,000,000 made to it on February 15 by the Reconstruction Finance Corporation.

• • • The reason given for the speedy liquidation of the loan was that an anticipated emergency had not materialized. The implication is that confidence is returning, the lack of which in the last few months has been largely responsible for our troubles.

• • • Among officials concerned, hope is expressed that enactment of the credit expansion bill will have a similar effect among manufacturing concerns and the commercial banks which have been driving with tight reins. These officials are further encouraged by return to circulation of substantial amounts of hoarded currency.

• • • Retail trade was somewhat better last week, having been favorably affected by the cold snap. Up to the present, however, the quarter's showing is not good. Something is hoped from the early Easter this year. There is a strong feeling in trade circles against post-Easter clearance sales, due to the poor results obtained from such sales last fall.

• • • There are few definite evidences yet that the favorable outlook for the credit expansion bill has done much to stimulate business, but from many important quarters come reports of the sort of improvement in sentiment which generally presages better things.

• • • Reorders and mail orders were sufficiently numerous last week to give to the wholesale market an appearance of considerable activity, following the lull after early spring business was completed.

• • • Average commodity prices went up for a change last week, not much, to be sure—only from 63.6 to 63.7 on the Irving Fisher rating—but, because the movement was in the right direction for the first time since November, enough to cause favorable comment. A similar slight rise was noticed in Great Britain and in Germany.

• • • Improved prices for agricultural products are predicted by Alexander Legge, president of International Harvester, in his annual report out this week. He believes that the improvement will be radical enough to stem the tide of depression.

• • • Advancing commodity price trends are foreseen by the American Statistical Association, especially for silver, grains and meats.

• • • Steel mills have not yet responded to the generally favorable influences; in some districts the mills' output has rather gone off. But prices are being fairly well maintained and the best authorities in the industry believe that their long-deferred restoration to something like active operations will be witnessed before many more weeks have passed.

• • • The index number of general business activity held its own fairly well in the week ended February 13, although most of the factors entering into it were slightly lower than the week before. Gains in automobile and cotton cloth production were the offsetting features.

• • • F. W. Woolworth's decision to add 20-cent articles to its lines in the south and southwest is variously interpreted. In some quarters it is regarded as indicating something like saturation in the 5- and 10-cent field, which has been greatly expanded in recent months. Elsewhere the view is taken that the company is preparing to take advantage of an expected rise in prices.

• • • Employment in January was 3.9 per cent lower than in December, while payrolls were down 7.5 per cent, according to Department of Labor compilations of returns from fifteen major industrial groups which pay \$93,573,892 a week to 4,362,503 persons. Employment in the manufacturing industries fell 2.8 per cent and payrolls 6.9 per cent.

• • • The reduction of the British bank rate by 1 per cent last week was the occasion of favorable comment on both sides of the Atlantic. A smaller reduction was expected because of fear that too abrupt a change in the "crisis bank rate" might loose dangerous speculative forces. The sequel was reassuring and may lead to cutting down our own rediscount rate which has been kept up as a precautionary measure.

• • • Talk is increasing of reciprocal tariff arrangements to be entered upon by this country. By partisans of the World Trade League some such action is regarded as the only means of reviving our foreign trade and of affording relief to distressed peoples.

• • • Studebaker Sales Corporation announces that on and after March 1 prices on all Studebaker models will be advanced by from \$20 to \$100, thereby offsetting partially reductions made when the 1932 models were first introduced.

• • • Wholesale prices of automobile tires were cut in Akron this week to the extent of 10 per cent in discounts. As a means of meeting this move, F. A. Seiberling, of Goodyear & Seiberling, is attempting to get leaders of the industry together to discuss a plan for re-establishing independent dealers as the chief medium of distribution.

• • • Dwindling of bank failures and release of Government deposits were the causes of a sharp arrest of the outflow of bank deposits last week, the decline being only \$23,000,000, the smallest diminution since the week ended November 24.

• • • This trend should have the effect of checking pressure to liquidate bank loans and so to relieve the tension which has stood in the way of business revival. Further point was given to the change by the rise last week in bank loans other than advances on collateral, the first increase for a considerable period.



BY LAWRENCE M. HUGHES

# Putting the Stockholders on the Sales Staff

## What 29 Companies Are Doing to Sell More Goods to and through the Ever-Increasing Number of People Who Are Share Owners

**T**HE aggregate number of stockholders of the largest American companies continues to increase. Depression and sales and profit declines have not retarded the trend a bit. Most of these companies had 50 per cent more stockholders on January 1, 1932, than at the beginning of the depression on January 1, 1930—at least 60 per cent more than at the peak of prosperity, on January 1, 1929.

What is the extent of this increase for various individual companies, especially in the last two years?

Is most of the increase among men or among women?

What are the reasons for it?

What are these companies doing more effectively to employ their individual stockholders, not only as investors, but as consumers of their products, and even as "salesmen"?

In an endeavor to answer these questions and to provide information which other companies might adapt in their own interest, SALES MANAGEMENT wrote to executives of various large corporations. All of these companies create or distribute products or services used by the public—most of them things which people buy by brand name. The list included companies in the food, drug, tobacco, confectionery, oil, automotive, tire, electrical appliance, household furnishing, textile and miscellaneous industries, and a few retailers, like Sears, Roebuck and Woolworth, whose public contacts are broad and numerous. It included also certain utility holding concerns, like American Telephone and Cities Service, with many millions of users throughout the country.

It excluded manufacturing concerns, such as United States Steel and An-

conda Copper, whose products are sold primarily to industry, and railroads whose operations, though important, are not nation-wide in scope.

Because of their outstanding positions in the economic scheme, however, the increases in the number of stockholders of a few of these concerns—United States Steel, for example, and Pennsylvania and New York Central railroads—are included in the table appearing elsewhere in this article.

Certain companies could not provide the totals nor the breakdowns because of the expense and trouble involved in getting them from their transfer agents. Others had not made current analyses. Another (Continental Baking) reported that "many of our women stockholders cannot be identified on account of the fact that they simply use initials. Another large corporation (Johns-Manville) excused itself because of its "relatively small number of stockholders."

From those who supplied the information and from statistical sources, however, it was learned that 29 large companies—manufacturers, distributors, utilities—now have an aggregate of 3,200,000 stockholders (usually the common holders only being included)—an average of 110,000 apiece.

### Some Have 100,000 Each

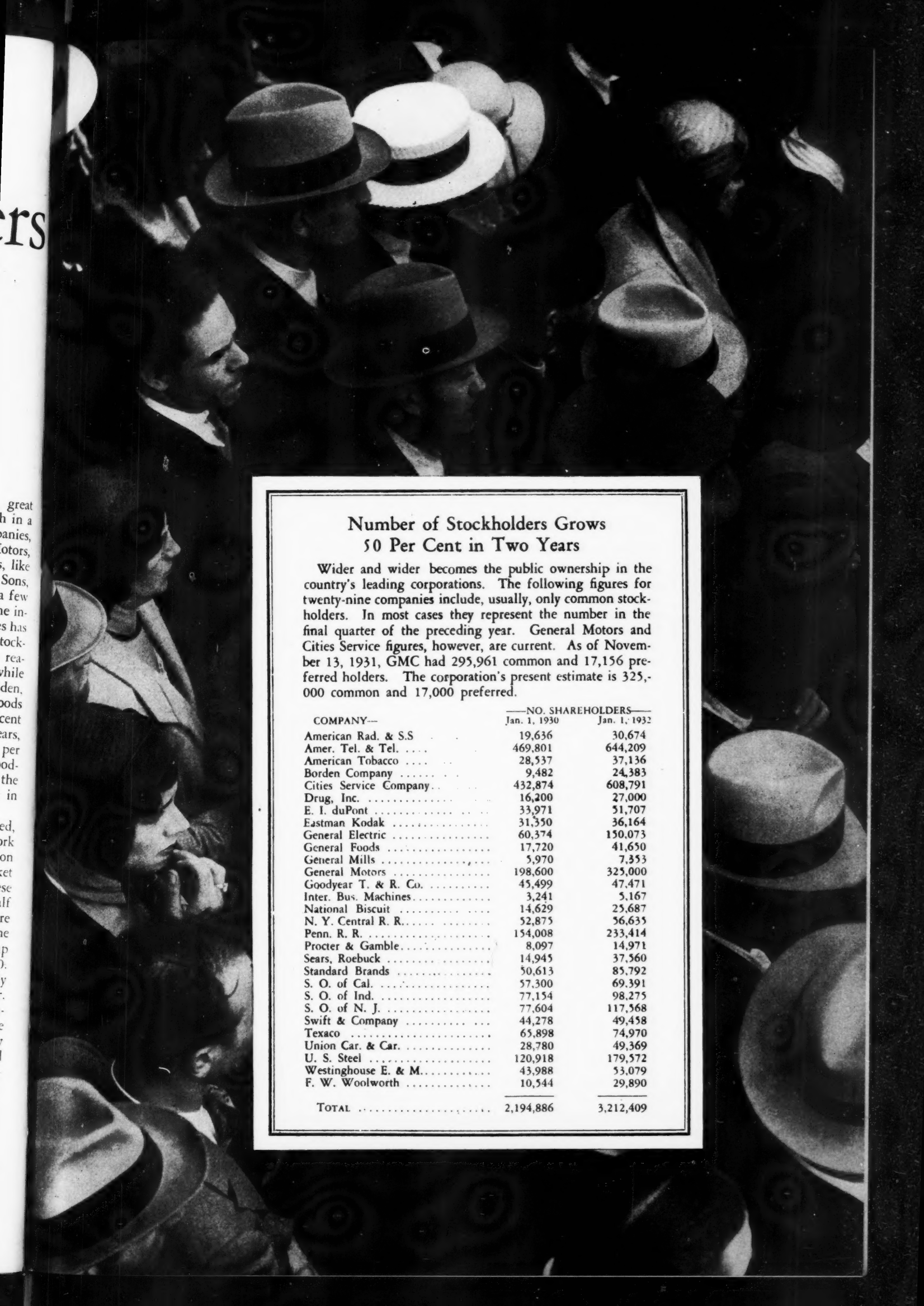
American Telephone, with nearly 650,000, Cities Service Company, with about 600,000, General Motors, 325,000, and Pennsylvania Railroad, 235,000, topped the list. Four other companies in the table—U. S. Steel, General Electric and the Standard Oil Companies of New Jersey and Indiana—now have more than 100,000 each.

Mere growth in number of stock-

holders does not always have a great deal to do with the public's faith in a particular company. Some companies, like Cities Service and General Motors, seek a lot of stockholders; others, like A. & P. and E. R. Squibb & Sons, have not much stock for sale. In a few cases, however, the condition of the industry in which a company operates has much to do with its ability to add stockholders. Whatever the individual reasons, it is interesting to note that while such concerns as Woolworth, Borden, General Electric and General Foods added on the average 150 per cent more stockholders in the last two years, Eastman Kodak added only 15 per cent, Swift & Company 10, and Good-year Tire & Rubber about 4. But the latter three are just as outstanding in their respective fields.

All of the companies summarized, save one, are listed on the New York Stock Exchange. (Cities Service is on the New York Curb.) The market value of the common stocks of these 30 companies equals more than half the value of all the 1,000 or more stocks listed on the "big board." The combined assets of the entire group normally exceed \$25,000,000,000. Their normal sales volume probably is more than \$15,000,000,000 a year.

The success or failure of these companies determines the economic course not only of the United States but, very largely, of the entire world. Geared to mass production and mass consumption, they can succeed only so long as the public has faith in them—in their organizations, their policies and methods, their products and services. More and more the masses of the people are their market, and more and more the masses are becoming their



### Number of Stockholders Grows 50 Per Cent in Two Years

Wider and wider becomes the public ownership in the country's leading corporations. The following figures for twenty-nine companies include, usually, only common stockholders. In most cases they represent the number in the final quarter of the preceding year. General Motors and Cities Service figures, however, are current. As of November 13, 1931, GMC had 295,961 common and 17,156 preferred holders. The corporation's present estimate is 325,000 common and 17,000 preferred.

COMPANY—	—NO. SHAREHOLDERS—	
	Jan. 1, 1930	Jan. 1, 1932
American Rad. & S.S.	19,636	30,674
Amer. Tel. & Tel. ....	469,801	644,209
American Tobacco .....	28,537	37,136
Borden Company .....	9,482	24,383
Cities Service Company.....	432,874	608,791
Drug, Inc. ....	16,200	27,000
E. I. duPont .....	33,971	51,707
Eastman Kodak .....	31,350	36,164
General Electric .....	60,374	150,073
General Foods .....	17,720	41,650
General Mills .....	5,970	7,353
General Motors .....	198,600	325,000
Goodyear T. & R. Co. ....	45,499	47,471
Inter. Bus. Machines.....	3,241	5,167
National Biscuit .....	14,629	25,687
N. Y. Central R. R. ....	52,875	56,635
Penn. R. R. ....	154,008	233,414
Procter & Gamble.....	8,097	14,971
Sears, Roebuck .....	14,945	37,560
Standard Brands .....	50,613	85,792
S. O. of Cal. ....	57,300	69,391
S. O. of Ind. ....	77,154	98,275
S. O. of N. J. ....	77,604	117,568
Swift & Company .....	44,278	49,458
Texaco .....	65,898	74,970
Union Car. & Car. ....	28,780	49,369
U. S. Steel .....	120,918	179,572
Westinghouse E. & M.....	43,988	53,079
F. W. Woolworth .....	10,544	29,890
TOTAL .....	2,194,886	3,212,409



owners. Mass ownership and mass consumption go hand in hand.

Though the stockholders of individual companies obviously are not so numerous as the consumers, they provide, or should provide, an effective nucleus of a market.

The products and services are the principal points of contact between consumer or investor and the company. They are also the only reason for the company's existence. On the whole, the public knows little about the companies themselves, but it knows quite a bit about what the companies have to offer. If a person does not think well of a certain company's line, he could hardly be expected to put his hard-earned money either into the products or the company itself—however big the company might be. If he likes the products and the way the company treats him, he will invest, if he has the money. If after he has invested he does not continue to use those products, in preference to others of comparable worth, he is quite daft.

The stockholder should, in fact, do more than that. As part-owner it is very much to his interest to persuade his friends to buy them. He should become an ex-officio salesman. The company should provide him with all possible sales ammunition. If every one of the 300,000 or more General Motors stockholders, for example, were to go out and persuade three people to buy a Buick or a Frigidaire, things would look better for the corporation and for the stockholders as well.

### Chrysler Buys a Chevrolet?

Most stockholders and most companies, however, have fallen down in these respects. The companies largely have ignored this most important market and sales ally. And many stockholders are still meeting their needs from companies competitive with their own. You won't see Mr. Chrysler buying a Chevrolet. Mr. Hill, of American Tobacco, won't offer you a package of Camels. And yet I imagine that there are American Tobacco stockholders who not only smoke Camels or Chesterfields, but who buy them. I know Borden stockholders who are customers of National Dairy Products, General Foods' stockholders who have Kellogg's cornflakes for breakfast instead of Post-Toasties.

But to return to the first question: why the increases in number of stockholders? Apparently mere size is still magnetic. In times like these the public had rather invest in big than little companies, in veteran companies than in youngsters. Morgan and Rockefeller sponsorship, in certain cases, also mean something. Doubtless many

people would buy American Ford stock if it were for sale.

Size, to the average man, is expressed not so much by figures of assets or capitalization as by widespread advertising, distribution and use of the products or services of a company. These are the basis of his faith in the company—these and whatever knowledge he has of sponsors and management.

But as Joseph Wilshire, president of Standard Brands, suggested in his letter, the present low prices of stocks also have something to do with the increase. The fact that some shares, formerly held on margin in brokers' names, are now in the names of individuals has been partly responsible. But the element of faith remains. However cheap stocks may be, people will not put their dwindling surpluses into them unless they feel them to be safe and productive. If they thought that American Telephone, Standard of New Jersey or General Electric were going to the bow-wows, they would not take these stocks as a gift.

### The Rise of Women

Widespread distribution and use of the products of these companies bring in the angle of women investors. Of most consumer products women are the principal buyers. Throughout nearly all of the companies studied for the last four years, the proportion of women stockholders is increasing. In food companies, for instance (women buy probably 95 per cent of the families' food and contact with food stores and products almost every day), women stockholders today are especially strong. Between January, 1929, and January, 1932, they increased numerically from 33 to 50 per cent as the owners of General Foods; in National Biscuit, they have maintained a slight but consistent lead over men throughout this period; but men still outnumber women by a ratio of 51 to 33 in Quaker Oats.

Male-female generalizations are difficult to apply. The fact that women have outnumbered men as American Telephone stockholders in each of the last four years is easy to understand—as is the women's share of 52 per cent of the total number of Wrigley stockholders (probably they talk and chew more than men). But in International Business Machines, a "man's" corporation, they are unexpectedly strong—2,099 as against 2,100. In IBM, however, the men hold 28.2 per cent of the stock as against 19.9 for the women. IBM is unique in that more than half of its ownership—51.9 per cent—is in the hands of "corporations and others" not included in the regular man-woman breakdown.

In Westinghouse Electric and Rey-

nolds Tobacco men, as was to be expected, lead women, the ratios being 54 to 43 and 54 to 41 (the remainder being corporations). But in such a "woman's corporation" as Sears, Roebuck, men appear to hold a slight lead; in Drug, Inc. (holding company for United Drug Company, the Liggett drug stores, etc.), the ratio is 65 to 35 in favor of the men, and in Pacific Mills, 48 to 38.

Cities Service Company's stockholders list is about evenly divided.

### Public Stakes Billions

Although Arthur W. Page, vice-president of American Telephone, could not supply a breakdown (other than to say that women have held the lead in total number) he presented the following totals:

Date	Number
Jan. 1, 1932 .....	644,903
Jan. 1, 1931 .....	567,694
Jan. 1, 1930 .....	469,801
Jan. 1, 1929 .....	454,596

Consider the size of the public's aggregate investment in some of these companies. American Telephone's capital stock consists of 25,000,000 common shares of \$100 par, or \$2,500,000,000. (No corporation or individual owns more than 1 per cent of the total.) Among the three largest industrial concerns, United States Steel now has outstanding about 9,000,000 shares of \$100 par common stock, or about \$900,000,000; Standard Oil, of New Jersey, 30,000,000 common shares, par \$25, or about \$750,000,000, and General Motors 43,500,000 common shares, par \$10, or \$435,000,000. These figures do not include preferred shares. It is significant to note that, despite the drastic reductions in the price of these stocks, all save "Steel" are still selling above par.

Detailed figures on types of holders for several large corporations in the periods covered in this article will be sent, on application, to interested readers. These figures, too complete for inclusion here, cover not only the number of men and women stockholders, but the proportion of the group holdings. Some of them provide a further breakdown into such classifications as "brokers," "corporations and banks," "fiduciaries and estates." Others group these holdings under "institutions."

The corporations for which these data are available are: the Standard Oil Companies of New Jersey, Indiana and California, Texas Corporation, General Foods Corporation, National Biscuit Company and Swift & Company.

Part II, on methods employed by these and other companies, to keep stockholders alive as consumers and, in some cases, as "salesmen," will appear next week.





# American Firms Take Steps to "Dig Under" British Tariff

BY

R. J. POLITZER

*London Editorial Representative,*  
SALES MANAGEMENT

THE impression created by the British press and other interests that Britain's abandonment of the gold standard and her new tariff policy are bringing in large sums of foreign capital for manufacturing plants and domestic labor is not accurate. Actually less than a dozen firms of all countries have announced such an intention. Only three of these—Hoover vacuum cleaners, Northam, Warren (Cutex, Odorono, etc.) and Wilson rubber (surgical gloves)—are American. Others, however, will probably follow.

Most American manufacturers are undecided until they can judge clearly Britain's future tariff policy. But an inquiry reveals that few see the situation in the same light. All, of course, are faced with a currency situation which threatens to endure. Many suddenly have had to meet a 50 per cent duty, which with some brings the total duty payable to 83⅓ per cent. A general flat rate tariff on all manufactured and semi-manufactured imports may go into effect at any moment. Yet opinions, tendencies and confirmed intentions vary widely, and for widely different reasons. Two things are certain: it is now impossible for an American-made product falling under any category of tariff to be launched successfully on the British market; and the new situation will cause all American firms distributing in the British Empire to reconsider the whole plan on which this part of their business is organized. While many firms are planning to turn the United Kingdom market over to their Canadian plant, some, as a result of sterling depreciation, will plan to supply the whole

British Empire from an English instead of from a Canadian source.

Hoover vacuum cleaners now sold in Britain, for example, are all manufactured in the Canadian factory. Depreciation of sterling in Canada by 15 per cent involved the British company in difficulties; if prices were raised, the company would be unable to meet the English competition. Therefore, instead of extending the Canadian works, as had been intended, the company will build a factory at Perivale, Middlesex, for manufacture and distribution here in the British Empire and on the Continent. Altogether, about \$500,000 is being expended by Hoover on site and buildings, which are expected to be ready April 1.

Another organization likely to view the sterling situation in similar light is General Motors, which has long considered supplying New Zealand with the British-made Chevrolet instead of the Canadian. The Luton, England, factory may henceforth supply the British Empire demand for the Chevrolet truck at any rate (no Chevrolet passenger car is made in England).

American companies reported as having decided to manufacture in Britain include the Canton Rubber Company of Ohio (rubber gloves) and Remington Rand (typewriters and cabinets). Neither confirmation nor

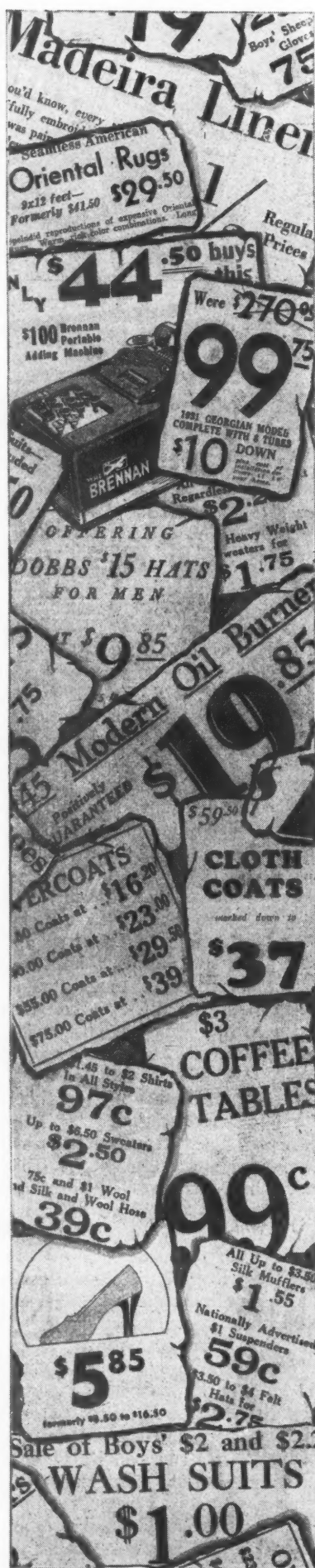
denial of the reports is obtainable in respect to either company. Eureka Vacuum Cleaner was reported as having decided to erect a factory at Newcastle-on-Tyne, but the actual fact is that this company has "made certain arrangements whereby Eureka Cleaners will be manufactured here"—presumably by an already existing manufacturing plant. British-American Laundry Machinery Company is also reported as contemplating the acquisition of a factory, possibly at Leeds.

Pepsodent probably will add to its already extensive chain of factories by the establishment of a British plant. Its toothpaste is still being imported from the United States, though toothpaste is one of the articles included in the new 50 per cent duty list. The company believes that the only way of insuring continuous economic supply of its product for the British market is to build a factory there.

National Cash Register Company, Ltd., holds an opposite view. This company has increased list prices 40 per cent on August prices to cover loss on exchange. The new 50 per cent duty on typewriters is payable only on one-fifth of the value of this company's counting machine, which is made with a typing attachment. However, in the event of a general tariff, this company probably will be supplied from Toronto. It would be cheaper to import the whole article from Canada than to pay duty on a number of parts.

National Cash Register, with its recently acquired Remington cash register line, has practically no competition to meet in the English market other than American. Burroughs has a fac-

(Continued on page 305)



# Has Industry Gone Price Crazy?

Manufacturers have been playing a reckless game of follow-the-leader in the matter of cutting prices until whole industries and all their distribution factors are in a state of demoralization. Mr. Garretson asks: "How much further must we sink into depression before our business leaders realize the truth about price warfare and the folly of sacrificing profit to volume?"

As Told to James True

BY C. D. GARRETSON \*

President, Electric Hose & Rubber Company  
Wilmington, Delaware

RECENT developments indicate that the most dangerous fallacy that has dominated most of our industries is that large volume rather than profit, is the basic factor of success. There is no denying that slack demand tends to reduce prices; but there is an economic limit to the tendency, and many months ago practically all of our industries reached that limit. Regardless of this fact, however, on every hand and in almost every line, we see price slashing far beyond the point where the reductions create or even slightly encourage sales.

The strangest phase of the condition is that so many manufacturers are allowing their pricing to be controlled by the reckless ignorance of competitors. It is a dangerous fallacy to believe that we must do as our competitors do.

No intelligent manufacturer would adopt any method of production that caused him to lose money, merely because a competitor had adopted it. Then why, without hesitation, do so many producers meet the queer and unprofit-

able prices that their competitors are willing to make?

The procedure reminds me of a game we used to play when we were youngsters. A reckless, irresponsible kid would perform some stunt, and the rest of the gang would be prompt to "follow the leader." As the game progressed the stunts became more difficult, more spectacular, until a boy fell and hurt himself. Then the rest of us would begin to do a little thinking and conclude that we better discontinue the game. And if our industries do not soon come to something of the same conclusion, I am sure we shall see a great many casualties among manufacturers, for the game of "follow the leader" is more dangerous in industry.

While general price reductions, when based on economies and lower cost of materials, may be economically sound, I have never seen an instance of price-cutting by a manufacturer that had a single constructive element to recommend it. The practice is always demoralizing, and in many instances it leads manufacturers into a condition where their competitive standing has not changed, but where their profits are turned into losses.

For example, last year a certain small

\*Other recent articles from Mr. Garretson: "From Red Ink to Profits—in Sixty Days," Dec. 19 SM, and "Is Selling a Lost Art?" January 23 SM.



manufacturer in our industry cut 20 per cent below the price generally quoted on a type of specification goods. This cut wiped out all profit and established a loss on the goods, and the manufacturer who made it furnished only 4 per cent of the industry's production of the type.

A few months after, another manufacturer who is much larger than the first, and furnished about 15 per cent of the total volume of the type, met the price. Then most of the others fell into line, and the unprofitable price became the regular price throughout the industry.

At the end of the year, the small manufacturer who started the game was still making 4 per cent of the volume sold. The large manufacturer who was selling 15 per cent had not increased his business, and the relative volume percentages of the others had not changed. All, however, had lost money on that type of goods.

Now, it is possible to understand why a small manufacturer might be so stupid as to start a thing of the kind; but I could not even hypothetically justify the large manufacturer who followed the small leader. Not long ago I met the latter and asked him why and wherefore, and to my surprise he replied that he had to meet the cut price to maintain his "prestige."

It cost him thousands of dollars to maintain his "prestige" in this experience, and I figure that instead of maintaining his prestige, he was losing it and the money as well. Meeting the cut price served only to multiply the loss and to spread demoralization like a plague.

There is an effective cure for this sort of thing, which I shall briefly mention later. The motive, of course, is to take a loss on a few orders in the hope of getting the edge on competition; but I have never known of a case in which the results were satisfactory. This type of price cutting is harmful to the individual manufacturer and demoralizing to an industry; but it is not as involved and dangerous as another form—the cutting of prices to meet the buyer's demand.

Long ago, a large manufacturer established a heavy demand for his product with excellent merchandising and large advertising appropriations. He induced thousands of dealers to stock his line, and for several years his dealers made money on his goods. Then the manufacturer sold a large mass distributor at a price which enabled the company to undersell the dealers' established prices by about 35 per cent.

Of course, the product was sold to the mass distributor under a private brand; but soon the dealers learned of the subterfuge and began to howl. Then the manufacturer, to hold his dealers in

line, produced a line of goods for them that were lower in quality and price and allowed them to meet the mass competition.

All went well for a time, until the mass distributor began to demand the inside. He had to have a price that would undersell the dealers, so the manufacturer made the second grade under a private brand and sold it to the mass distributor at a special inside price which allowed him again to undersell the dealers. But again the dealers howled for still a cheaper product with which to meet the new competition.

The operation was repeated, but without appeasing for long either the dealers or the mass distributor. Finally competitive manufacturers cut their prices on all grades and the original manufacturer felt he was forced to do the same. Then the mass distributor served notice that they were going to be low, and cut the price again. They are still chasing each other around a circle.

As it is now, the manufacturer is losing money on everything he makes, with the exception of the original high quality product. But the sales of this product have been dwindling under the pressure of the forced selling of cheap goods, and its profit does not begin to meet the loss on the other lines. I don't know how much longer the manufacturer can stand the gaff; but I would certainly like to have his losses for my profits.

An idiotic procedure of this kind invariably creates a Frankenstein. Variations of it are crushing the life out of many manufacturing concerns, and it has its beginning in a cut price, a bait intended to deceive or lure a buyer, or in meeting a demand from a so-called mass distributor.

There is no cure for this second form of price cutting but intelligent reasoning on the part of manufacturers. Our industries must become distribution-minded, and realize that special discounts to so-called mass distributors are uneconomic because they are demoralizing to distribution and unfair.

The manufacturer in question is selling about 25 per cent of his volume to mass buyers, and to get the business he must pay a dole to the mass distributors in the form of money-losing prices. If he sold all of his volume on the same basis he could not keep his factory running a single year. Therefore, he is trying to require his regular dealers to pay prices that enabled him to subsidize his mass volume, and he can't get away with it. And because such a procedure is unfair it is uneconomic, and for the reason that it is uneconomic it reacts disastrously against general distribution and the manufacturer who promotes the system.

The collage features several overlapping price tags and advertisements:

- A tag at the top left says "Targuin Ever Offered" and "Best Value" with a price of "\$15.95".
- A large tag in the upper center reads "19.50 Radio" and "25,000 Pcs. Diam Optic Stemwar". Below it, it says "Formerly Sold at 19c to 25c Ea." and "10c ea.".
- A tag to the right of the radio tag says "S" and "75" and "6.50 Eight-Pc. Slip Cover Sets".
- A tag below the radio tag says "CHIFFON" and "HOSIERY".
- A tag to the right of the chiffon tag says "5 Gauge—Picot Top" and "69c".
- A tag below the chiffon tag says "St. James Coffee" and "4 lbs. \$1.25".
- A tag to the right of the coffee tag says "Allow You \$20" and "our Old Refrig or Ice Chest Making Sale".
- A tag below the coffee tag says "values, \$175, \$94" and "14.50".
- A tag to the right of the 14.50 tag says "15" and "SETH THOMAS CLOCK".
- A tag below the 14.50 tag says "25c Handkerchiefs Five Designs—6 for \$1" and "1.75".
- A tag to the right of the 1.75 tag says "Men's and Women Shoes" and "Consists Original Price, \$4.6" and "\$2".



The cure for the first form of price cutting is not so complicated. By way of explanation, some months ago we found that a certain competitor was cutting the regularly quoted price on garden hose below his cost of production. He was offering the cut to a number of accounts, and on rather small quantities. Also, he was making the offer to some of our best customers in his territory.

Instead of meeting the price, we felt so kindly toward this manufacturer that we sold his goods for him, and charged him nothing for our service. We told our salesmen of his "special" price and they advised their customers of the "gravy."

When our salesmen informed buyers regarding this opportunity, they explained the matter thoroughly. They were perfectly willing to allow our competitor to give our customers the bargain, and they sacrificed their orders on the cheap stuff to get something good for their customers. It required but a few minutes to do this, and they spent the rest of their time in selling our better and more profitable goods.

#### Cut Prices Create Distrust

Strangely, the manufacturer soon began to complain, and protested at what he called our interference with his business. Despite the fact that our salesmen had spent time and money in sending him thousands of dollars worth of orders, he was woefully lacking in appreciation.

Probably the most fatal mistake a manufacturer can make is to take unprofitable business merely to prevent a competitor from getting it. Contrary to the widespread and popular fallacy, the best thing that can happen to a manufacturer is to have his competitors take all of the money-losing business. I never could understand that strangely benevolent attitude which induces a manufacturer to take a loss merely to prevent a competitor from losing money.

Meeting cut price competition seems insane when you face the facts of the inevitable results. There is never any loyalty attached to a cut price. Quite the contrary. The cut price invariably creates distrust, and leads to demands for still lower prices. Furthermore, the buyer sold on a cut-price basis will use the reduction, in the great majority of cases, as a means of procuring a lower price from a competitor, and that is why it is seldom possible to surround such a transaction with secrecy.

While I have mentioned but two instances of price cutting, they are typical of innumerable recent cases I have studied. And they prove that it is

vitaly necessary for manufacturers to learn just a few simple facts about the fundamental economics of distribution. If American producers knew half as much of the science of distribution as they do of production, the problems of pricing would be negligible.

As it is, on every hand we see the damage done to the intricate mechanism of our national distribution by cut prices, price subsidies and price doles,

## Meat Consumption Gains on Coast as Industry Fights "Diet Faddists"

SAN FRANCISCO—A stocky, blue-eyed Irishman by the name of Frank Harrigan decided last year that something should be done to save the Pacific Coast livestock and meat industry from the "diet racketeers, food faddists, fanatics and fakirs who mounted lecture platforms and condemned meat as a food."

Last May he became secretary-manager of the newly formed Pacific Livestock and Meat Institute.

This month he reported an increase in meat consumption in the San Francisco Bay area of 7.5 per cent in the last six months of 1931 over the same period of 1930. This figure represented a gain in sales of 5,382,164 pounds, with a retail value of \$995,700—at a time when national consumption gained only about 2 per cent.

"And these results," Mr. Harrigan said, "do not include the meat shipped in by outside wholesalers, who are members of the institute," which account for 22.5 per cent of local consumption.

"Hard-headed selling; vigorous advertising; cooperation, and faith," were Mr. Harrigan's platform. "We fought to protect our investments and so we advertised our product. We didn't want to get into controversy with anyone, so we set as our premise the idea that meat builds health.

"By adopting the psychological principle that an affirmative statement, repeated sufficiently, becomes in time almost a demonstrated truth," Mr. Harrigan said, "we drove home through outdoor advertising, newspaper, radio, dealer helps and window soft-sheets the story we had to tell about meat. Four-color illustrations gave us attention-value. We used art figures that symbolized the ultimate in physical perfection.

"Retailers saw this advertising day after day and began to take pride in their business. This pride took the form of better salesmanship, cleaner shops and aggressive purpose. We

and it is similar to the results produced by throwing a wrench into the factory machinery. We have an abundance of evidence to prove that a manufacturing concern without an invariable, economic price policy is like a ship at sea without a rudder, and just as great a menace. . . . The question is: How much further must we sink into depression before our industries learn the truth about cut prices?

introduced recipe leaflets which went into every package of meat purchased. We educated salesmen in the tenets of good salesmanship. Now we have the producers, jobbers, wholesalers and retailers working for the common good. And the consciousness has been steadily growing that what affects one branch of the industry affects all branches of the industry.

"During this campaign—which is only half over—we will spend \$32,500. Comparing this with the approximately \$30,000,000 wholesale value of meat sold in the San Francisco Bay area, we find that our advertising cost, expressed in a percentage of the wholesale value, is 13/100 of one per cent, and in a percentage of the retail value of meat is 7/100 of one per cent."

Future plans of the Institute include the development of a Home Economics Advisory Council; still closer cooperation between retailers and wholesalers and further stressing of the doctrine of increased consumption of meat.

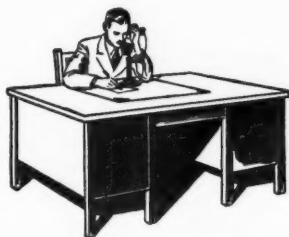
Other facts brought out by Mr. Harrigan were:

(1) In 1930 cattle consumption in San Francisco Bay area decreased 1.1 per cent; (2) in 1931 there was an increase of cattle consumption of one-half per cent; (3) comparing the first six months of 1930 with the same period of 1931, there was a decrease of cattle consumption of 2,671 head or 3 per cent; (4) comparing the last six months of 1930 with the same period in 1931—the first half of the advertising campaign—showed a gain of 4,131 head or 4½ per cent; (5) there was an increase of 7 per cent in hogs; a 13½ per cent increase in the consumption of sheep; and the increase in beef sold amounts to 51 per cent of the total poundage increase. Before joining the Meat Institute, Mr. Harrigan was an outdoor advertising man, radio station manager and advertising manager for a large western corporation.



## BUSINESS TURNS TO LONG DISTANCE

## FOR ECONOMY



MANY companies are meeting today's difficult production and distribution problems by using long distance telephone service for transacting their out-of-town business. This method of contacting customers and prospects is quick. It gets results. It effects savings in many ways. It is a profitable investment.

The telephone saves valuable time in starting production, making deliveries, announcing price changes, ordering supplies, arranging appointments. It conserves hours for busy executives, letting them accomplish more.

And Long Distance rates are low. You can conduct business with a man many miles away . . . with the advantages of a face-to-face conversation . . . at a surprisingly small cost. There are two kinds of out-of-town calls: *person-to-person*, when you wish to talk with a specific person; and *station-to-station*, when you will talk with any one who answers the called telephone. The latter are cheaper.

Many business men have found that a definite plan of telephoning helps them build business and cut costs. An experienced telephone representative will gladly study your problems, and develop a plan that is custom-made for your company. There is no charge for this advisory service.

JUST CALL YOUR BELL



TELEPHONE BUSINESS OFFICE



	Selling value (f.o.b. factory)	Per cent of sales
Total sales .....	\$59,662,329,000	100.0
Sales to wholesalers .....	18,526,123,000	31.1
Sales to manufacturers' own wholesale branches .....	9,871,008,000	16.5
Sales to retailers .....	11,806,725,000	19.8
Sales to manufacturers' own retail branches .....	1,261,503,000	2.1
Sales to industrial and other large consumers .....	17,180,120,000	28.8
Sales to home consumers .....	1,016,850,000	1.7
Total sales .....	\$59,662,329,000	100.0
Sales made through manufacturers' agents, selling agents, brokers and commission houses .....	5,324,813,000	8.9
Sales made direct to branches, wholesalers, retailers and consumers .....	54,337,516,000	91.1

## Wholesalers Handle One-Third of U. S. Manufactured Output

WASHINGTON—About one-third of the output of United States manufacturers in 1929 was sold to uncontrolled wholesalers, one-fourth to industrial and other large consumers, one-sixth to manufacturers' own wholesale branches, one-fifth direct to retailers, and a little more than 1 per cent direct to home consumers, the Census of Distribution announced this week in issuing figures covering 84.7 per cent of the sales of all manufactured products for that year.

Total sales of these establishments

amounted to \$59,662,329,000. This figure includes \$508,628,000 (or less than 1 per cent of the total) worth of goods not manufactured by the plants reporting, but purchased and resold by them.

Manufacturers' agents, selling agents, brokers and commission houses handled less than one-tenth of the total manufactured output, or \$5,324,813,000, the census showed.

The distribution of sales of manufacturing plants in 1929 is shown in the tabulation above.

### *Buffalo, 100: Solvent, Busy and Optimistic*

BUFFALO—The *Niagara Area Journal of Commerce*, monthly news journal of the Buffalo Chamber of Commerce, took 178 pages for its current issue (the price of which is \$5) to commemorate the one-hundredth anniversary of Buffalo's incorporation.

Page 3 finds Buffalo today a notable exception among the larger American cities. "Because of frugal government (the city) is firmly seated in a strong cash position," despite a tax reduction for the current fiscal year of \$1.46 per thousand.

Charts show that Buffalo business conditions in 1931 declined less than the average, and that a circle 500 miles in radius from Buffalo (one night's ride) embraces 60 per cent of the population of the United States and 80 per cent of Canada.

Succeeding sections are devoted to 1931, to pioneering, to Riviere aux Chevaux (1758), the first Buffalo, and the village of New Amsterdam (1804) the second; and to a roster of the Chamber.

### Celotex Helps Dealers Sell Entire Buildings

CHICAGO—To meet competition from other industries, the Celotex Company has worked out a plan to help its 18,000 dealers sell finished building jobs.

"The dealer may be selling his merchandise at bargain prices," said C. E. Stedman, vice-president in charge of distribution, "but who wants a bargain in two-by-fours? . . . Today's buyer knows that radios, for example, are cheaper than ever before. He doesn't know, and doesn't give a whoop, whether the individual parts are cheaper. What the public recognizes are bargains in complete products, finished and ready for use."

So Celotex has evolved a procedure, now in the hands of its field representatives, to enable "every dealer to offer the public in his territory a group of finished jobs, ranging from a complete home to an insulated attic room. Upon each job the dealer will place his own price. Then he will carry the story of these finished products to his public through advertising."

AUSTIN, MINN.—A booklet, "Five Minute Cookery," announced in the current magazine campaign of George A. Hormel & Company, foods, has brought 20,812 inquiries.

## New Woolworth Plan Will Include Products in All Departments

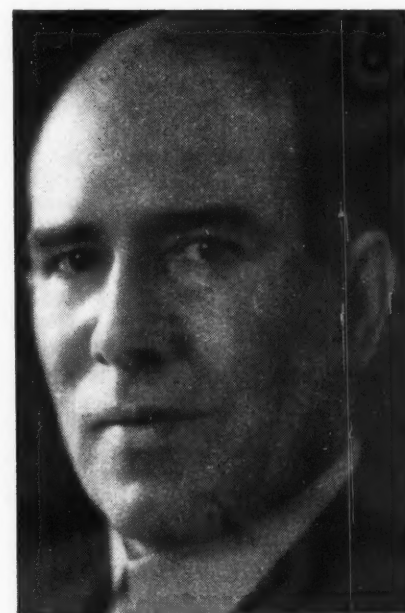
NEW YORK—Many manufacturers may have an important new market and many retailers—under-25-cent variety chains, department store basements, grocery and drug chains and independents—an important new competitor, as the result of the decision of F. W. Woolworth Company to abandon its 53-year-old policy of carrying only 5- and 10-cent merchandise and of increasing the range to 20 cents.

The policy was expected to go into effect today (February 27) in the company's stores in Los Angeles and San Francisco, and will be extended first to 100 stores in the West and Southwest. If successful, all the 1,300 Woolworth stores in this country will probably adopt it. (The company also has about 463 stores in England and 69 in Germany.)

Higher-priced merchandise will be placed on sale in all departments, H. T. Parson, president, explained—replacing lower-priced merchandise as demand justifies. It will be especially evident, however, Mr. Parson added, in chinaware, glassware, hardware and accessories, and will enable, for example, the purchase of a complete 100-piece dinner set.

The object of the plan is increased sales without commensurate rise in overhead. Lower prices of commodities and of fabricated products render it feasible now.

### *Enters "Quality" Field*



H. T. Parson  
Woolworth President



## 9-Month "Father's Day" Honors Washington; Advertisers Tie-in

NEW YORK—Starting this week and ending with a nation-wide tribute next Thanksgiving, the United States is engaged in holding a nine months' "Father's Day," in recognition of the 200th birthday of George Washington. A number of advertisers, in one way or another, will have something to say about it.

Of course there are few concerns of national prominence today who were in business when George Washington was born (the *Saturday Evening Post*, founded by Benjamin Franklin in 1728, is one of them), but there are several who became active during the period of his life. Among these were Devoe & Raynolds, paints, founded 1754; P. Lorillard, tobacco, 1760 (but with no Old Gold then), and Walter Baker & Company, chocolate, founded in 1780 on the basis of a predecessor company established in 1765.

General Foods Corporation, of which Walter Baker is now a division, could not tell SALES MANAGEMENT whether or not George Washington ever drank its products. It is believed that the Father of Our Country preferred stronger beverages. But the Walter Baker people are proud of their age, and the fact that they have been making more cooking chocolate through the administrations of thirty-one presidents than any other concern. Last year Walter Baker sold nine times as much of this as any other competitor. Though regretting that it could not put Martha Washington definitely in the role of Walter Baker's "La Belle Chocolatiere" for the period of the celebration, General Foods presents some information on the latter lady. As a trade mark she is forty-nine years old. There is a romance behind it:

A dashing young Austrian prince, Ditrichstein by name, living in Vienna in 1760, heard of a new restaurant or "chocolate shop," the first of its kind there. He liked the chocolate shop and fell in love with one of the waitresses. Her name was Anna Baltauf. She proved to be the daughter of a knight. Whether she was serving for fun or from the need of money is not known. At any rate, as an engagement gift, the prince had her portrait painted by Jean Etienne Liotard, Swiss artist. She posed as a waitress, serving chocolate. The original of "La Belle Chocolatiere" hangs in the old Dresden Gallery, in Germany, a reproduction at the company's headquarters in Dorchester, Massachusetts.

## Graham-Paige Conducts, and Wins, Blind Preference Test at Show

DETROIT—A blind test of car preferences of visitors to the Detroit Automobile Show, conducted by Graham-Paige Motors Corporation, divulged some good promotional material for that company.

The survey was conceived and directed by Brooke, Smith & French, advertising agency, with the knowledge of only two Graham-Paige executives. An accounting firm was employed to question show visitors and to certify findings. Neither the accountants nor the public knew the purpose, nor the identity of the sponsor.

Stationed for three days outside the exits of the convention hall, senior accountants asked three questions impartially of as many visitors as they could reach:

1. Are you connected in any way with a concern which makes or handles automobiles? (Only the negative answers to this question were, of course, included in the tabulations of the others.)
2. In your opinion, what is the car (under \$1,500) of most advanced design and outstanding beauty?
3. In your opinion, what car in the \$1,000-\$1,500 class is the most outstanding value?

These two questions were printed on ballots—a separate ballot being filled out for each participating visitor, with

a notation as to his or her sex. The ballots required no signature.

"There were several reasons for making the survey," C. W. Matheson, general sales manager, said. "In the first place, almost every manufacturer has a tendency to believe that his product is the hit of the show. The wish is the father of the thought and, in a majority of cases, he is just kidding himself.

"We wanted to know exactly how the new Graham Eight was being received by the public. Regardless of what we or anyone else in the industry may think of our product, public opinion is what counts. We wanted a true cross-section of such opinion.

"Obviously, if the survey proved favorable, as we believed it would, we could use the information in our advertising, publicity, production schedules, and in actual selling.

"It did—even more favorable than we had hoped. Of the several thousand people interviewed, 44.9 per cent placed the Graham Eight first in 'advanced design and outstanding beauty.' The next most popular car in this respect received only 9.5 per cent of the votes. In answer to the question of value, 27.7 per cent voted for the Graham, while the highest percentage of the vote received by any other car was 18.9."

Twenty makes of cars received votes. Results were tabulated and analyzed by days and by men and women, the averages in every case being very nearly the same.

The findings and the sworn statements of the accountants are being made available to Graham-Paige dealers.

G. Washington Contemporary



"La Belle Chocolatiere"

## Maytag Sales Mount in Coast Territory

PORTLAND—An increase of 856 units, or 70 per cent, in January sales, as compared with those of the same month of 1931, is reported by J. A. Gazelle, general manager of the Pacific Intermountain division of the Maytag Company, whose headquarters are here. The gain is attributed to a sales drive, announced in this magazine last fall.

Fifty-four carloads of Maytag washing machines were shipped into this division since November 1 for distribution through 150 agencies in most of the nine western states. An intensive campaign in 350 newspapers was employed to feature a new low-priced model.

# How do they spend t



*\$2,000 a year—people? \$3,000 a year?*

*Consider Soap . . . Do lower bracket families use more of it because they get dirtier? Or do they use less because they don't wash so often? A ten-thousand-dollar income buys an oil burner. A two-thousand-dollar income doesn't. But how about the five-thousand-dollar income? Does it or doesn't it? That is the question.*

**H**OW do families of different incomes vary as prospects for coffee, ginger ale, refrigerators, cosmetics, automobiles, gasoline, shoes? How about the products *you* sell?

Isn't the key to efficient selling an exact knowledge not only of where your product is sold but of what income

groups buy it—and what ones won't? Everybody knows that buying habits and preferences vary widely with income. But *how* do they vary? That has remained a mystery.

TIME has just completed the most thorough survey of purchasing habits by incomes that has ever been made.

In its New York office, TIME now has the records of a million and a half retail purchases made in the typically American town of Appleton, Wisconsin—purchases that reveal the buying habits of *six thousand* American families in various income levels, as told to investigators by housewives, verified by dealer records and correlated for the first time in any survey with sworn income tax returns.

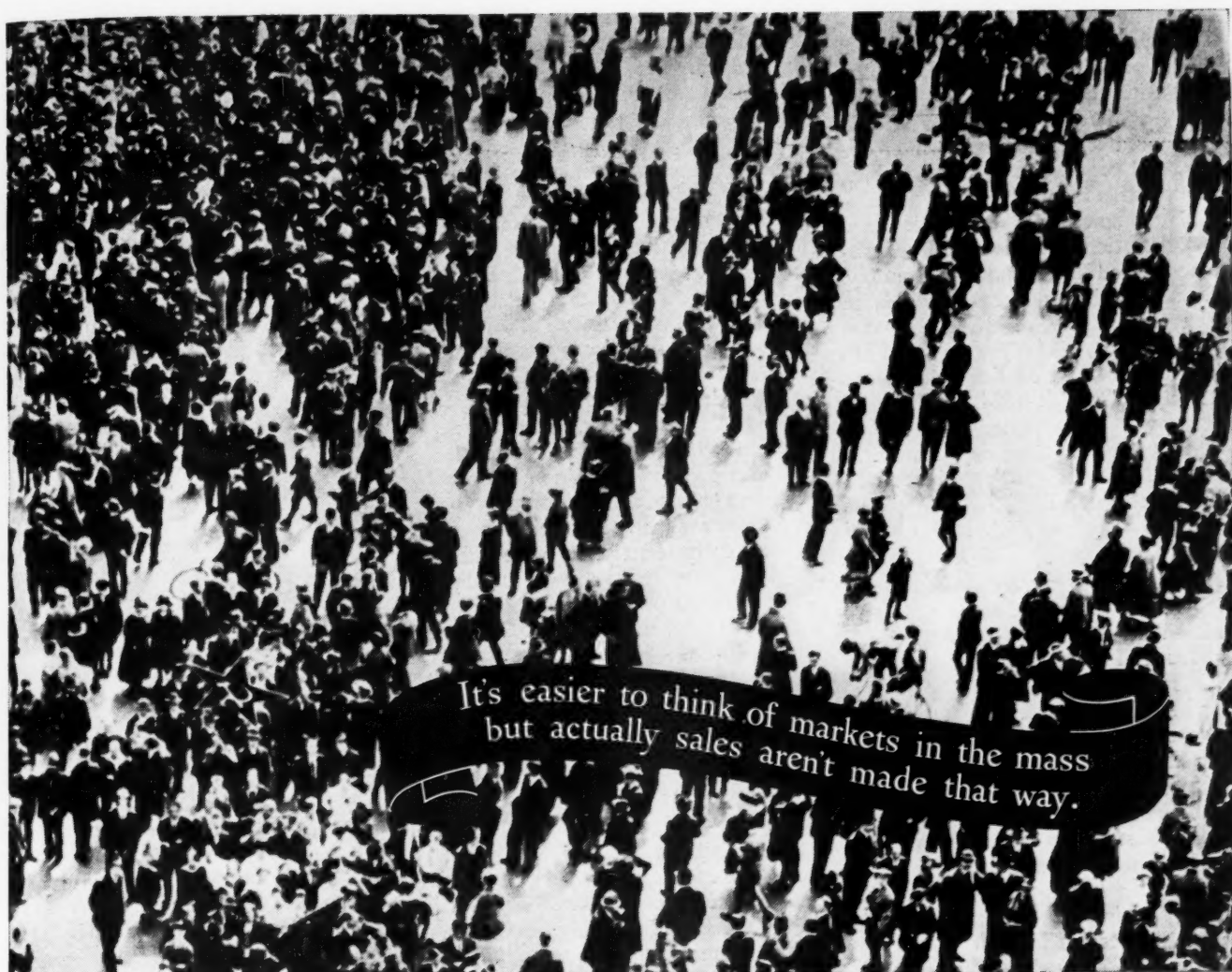
The tabulations of this survey, now published in two volumes under the title of "*Markets By Incomes*," furnish the first accurate yardstick for measuring the cash value of markets by income groups.

## *Valuable to Sales Executives*

The result is a vast fund of reliable information in a field that has previously been



# and their INCOMES?



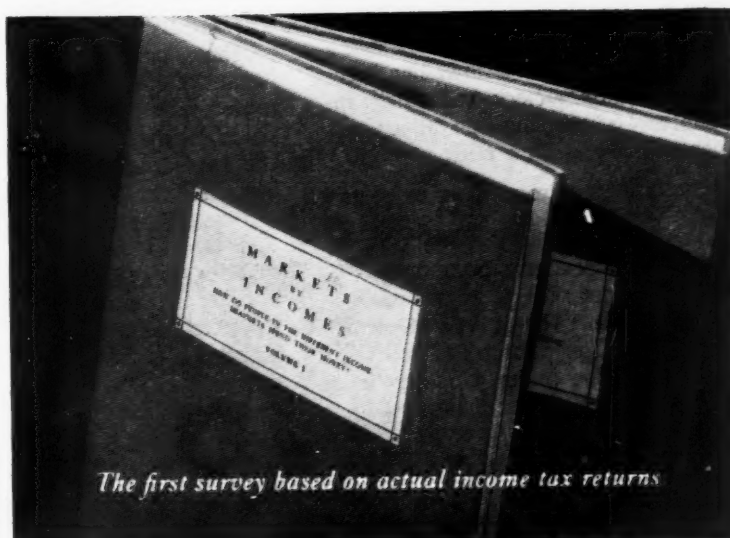
\$5,000?.....over \$10,000 a year~?

approached by guesswork based on individual opinions. "Markets By Incomes" is the only exhaustive survey of buying habits by incomes in existence. Hundreds of advertisers will use "Markets By Incomes" to arrive at a far more accurate analysis of their potential markets and as the basis for sales strategy that shoots directly at its target.

The information supplied in "Markets By Incomes" is given in both tabular and graphic form. Volume I will soon be sent to key executives concerned with sales and advertising.

**TIME**  
The Weekly Newsmagazine

TIME, INC., 135 EAST 42ND STREET, NEW YORK CITY



The first survey based on actual income tax returns

## G. E. Will Inaugurate Biggest Refrigerator Drive on March 14

CLEVELAND—The rulers of "Refrigerania," at any rate, are going to do something about the depression.

The "greatest spring sales campaign in the history of the General Electric Refrigeration department," to be held between March 14 and May 31, was announced at the fifth mid-winter distributors' convention at Coral Gables, Florida, this month.

The announcement was made in a "proclamation of war on Sales Resistance," read by Arthur S. Dunning, Duluth distributor, elected president of Refrigerania last fall in a nation-wide sales contest.

The drive, based on the department's 25-calls-a-day plan (SM February 20, etc.), will be supported by radio advertising two or three days a week in General Electric's nation-wide series, by advertising in 2,100 newspapers and in magazines, direct mail and other media.

A campaign to recruit dealers is being held between February 1 and March 14—\$1,500 in prizes to be awarded to the most successful wholesale sales managers.

The retail sales force will be infantry; apartment house force, cavalry; commercial force, engineers; and the wholesale, aviation and artillery. The leading distributor in each district each week becomes a general, and the leader nationally, a generalissimo.

GE refrigerator distributors are now being appointed also to handle Edison General Electric hotpoint ranges.

Under the auspices of the General Electric Kitchen Institute, at 5600 West Taylor Street, Chicago (offices of the Edison General Electric Appliance Company), General Electric also has started a campaign to sell all its kitchen appliances in a group. A General Electric kitchen—including refrigerator, range, dishwasher, ventilator, lighting, clock and small appliances—is available on time payments as low as \$4 a week.

### Apologia

Bank failures have been numerous, but not as large as was indicated on page 185 of the February 6 issue. The printer and proof-reader joined forces to make the total 17,000. Several alert readers informed us at once that the correct figure was 1,700. Sorry.

—THE EDITORS.

### 400 Packages Compete for Wolf Trophy

NEW YORK—The winning package in a competition under the auspices of the American Management Association for the Irwin D. Wolf trophy will be selected at the Art Center here February 28 by a committee comprised of Alon Bement, director of the Center; Dr. Charles R. Richards, executive vice-president, Museum of Science and Industry, New York; Dr. Paul H. Nystrom, professor of marketing, Columbia University, and Richard Bach, director of industrial relations, Metropolitan Museum of Art.

It will be announced at a dinner at the Palmer House, Chicago, March 9, as part of the program of the Second Packaging, Packing and Shipping Conference, Clinic and Exposition. More than 400 packages, bottles, cartons, wrappers, tubes and boxes of every description were submitted up to February 23 by some 100 package users and 70 package manufacturers.

## OvenReady Biscuit Sales Rising; Kraft-Phenix to Sell Nationally

CHICAGO—Overnight distribution of OvenReady biscuits to every part of the United States from five manufacturing centers will soon be established by the Kraft-Phenix Cheese Corporation. OvenReady biscuits will be manufactured in Chicago, New York, Atlanta, San Francisco and Denison, Texas.

Next-morning distribution will be started in the 3,200 Kraft-Phenix refrigerated trucks.

The biscuits, devised by L. B. Wiloughby, baker of Bowling Green, Kentucky (SM January 9), are being made by Ballard & Ballard, of Louisville, in the five Kraft-Phenix distributing centers. Kraft-Phenix will have full charge of advertising, sales and distribution.

Ten biscuits are packed in a fibre cylinder, to retail for ten cents. The biscuits, in moist dough form, are separated by pieces of foil. The housewife keeps the container in her refrigerator until wanted. Then she breaks the seal, puts the biscuits in a baking pan and bakes them quickly. Kraft-Phenix carries no outside lines except OvenReady biscuit. It has no financial interest in Ballard & Ballard.

## Voluntary Chain Makes Comeback by Pushing National Brands

NEW YORK—Allied Stores, Inc., a New Jersey voluntary grocery chain, has made an average increase of 155 per cent in business since adopting, sixteen months ago, a policy of selling only national brands, Henry Halpern, field secretary of the stores, explains in an article in the March issue of the *Voluntary Chain* magazine.

Products being carried include Libby's entire line of 100 foods; Hecker's, Gold Medal and Pillsbury flour, Maxwell House, Yuban and Grade A coffee; Bond bread, Salada tea, Northern tissue; Oxol, and the lines of Heinz, Colgate and Van Camp.

Starting with one store in Raritan township, November 1, 1930, the group now has forty in southern New Jersey, Mr. Halpern adds. It is not wholesaler-controlled, nor does it control a wholesaler or other source of supply, but is "simply an association of grocers.

"All transactions as to advertising are handled by our advertising committee. All contributions from manufacturers go directly into our own treasury. All manufacturers' discounts are rebated in full to each member. All prices and items to be featured on handbills are suggested by our own members."

The stores have two sources of supply—purchasing all staples from Middlesex Wholesale Grocery Company, New Brunswick, and the Libby line from Wilson & Rogers, Inc., New York.

"We follow A & P on specials," Mr. Halpern continues. "Whenever it has a sale on canned goods at ridiculously low prices, we come out the same week with the same items at the same prices—under the Libby label. . . . In the sixteen months we have been operating we have never been undersold by this largest chain on the line of canned goods which it features, and we have made money in the process. "Our advertising income from manufacturers, besides paying for advertising, permits us to do extraordinary merchandising stunts. Frequently we sell P & G soap at 9 cakes for 25 cents, a distinct loss, and rebate our members from the treasury.

### Woodbridge Joins Arbuckle

NEW YORK—C. K. Woodbridge, recently vice-president, Remington-Rand, Inc., formerly president of the Kelvinator and Dictaphone corporations, has joined Arbuckle Brothers, coffee firm, here. Mr. Woodbridge is the former president of the International Advertising Association (now the Advertising Federation of America).

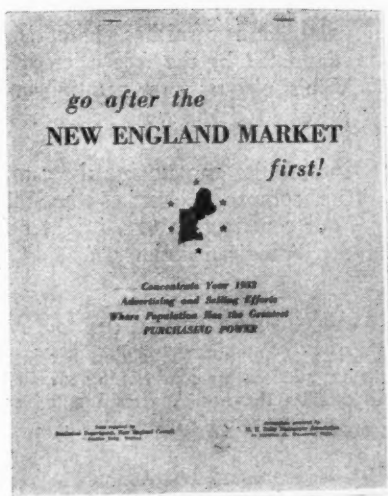


# NEW ENGLAND'S BIGGER BUYING POWER LEADS the U. S. A.



BEST  
REGIONAL MARKET  
1932

FREE MANUAL  
OF LATEST  
MARKET DATA



**FOR BETTER NET PROFITS**—concentrate a larger share of your 1932 advertising and selling effort where compact population has the best per capita record for **BUYING-RESPONSE** in 1931 and the most money to **SPEND—NOW!** Go after the New England Market, where purchasing-power is more stable than in any other regional market.

**GET THE LATEST MARKET DATA!** Get this free filing-size manual (see left). All its comparative tabulations are from latest national and New England market data collected by the New England Council. For *any company, any type of product* in these markets, here's authentic, up-to-date, *important sales promotion information.* Write for it.

NEW ENGLAND  
DAILY NEWSPAPER ASSOCIATION

16 Norwich St., Worcester, Mass.



THE SUN RISES FIRST IN NEW ENGLAND

## A Contest That Gets Customers to Stores, and Keeps 'Em There

CINCINNATI—"Why I like to buy my groceries in a Piggly Wiggly store," was the theme of a recent contest of the Piggly Wiggly Corporation, sponsoring several thousand self-service stores throughout the country; twenty prizes of free groceries for one year were the principal awards, and, though the contest was promoted in other media, the winners were first announced on the windows of the member stores.

Thus, every step of the way, Piggly Wiggly's contest focused attention on food, and the Piggly Wiggly method of providing it daily to 2,500,000 customers.

The results already visible, says R. K. Dilling, secretary of the corporation's Advertising Committee, writing for *SALES MANAGEMENT*, were these: (1) It obtained the cooperation of all the dealers (even though the only dealer awards were more business); (2) It got tens of thousands of additional families into their stores, and (3) It suggested "unsuspected selling advantages, written by customers, and ideally suited to consumer advertising."

Piggly Wiggly Corporation is an affiliate of Kroger Grocery & Baking Company. It does not own the Piggly Wiggly stores—merely provides the "system" and the supervision under which they operate.

Mr. Dilling was not able to supply detailed figures on sales increases due to the contest, which ran from November 14 to December 27—the winners being announced at the stores February 8 and in the *Saturday Evening Post* February 20—as all the letters from operators have not yet been received. It was aimed wholly to attract women—particularly the women buyers for families. The judges were two directors (women) of home economics departments of universities, and W. F. Wiley, editor of the Cincinnati *Enquirer*.

"The first advertisement gave the public a hint as to what to look for in a Piggly Wiggly store—self-service, unhurried selection, plainly marked, money-saving prices," Mr. Dilling continued. "It invited contestants to 'imagine you're writing to a friend—telling why you prefer to buy your groceries there.'"

"Weeks before the announcement, the contest had been 'merchandised' privately to the store operators and clerks to show them how to apply the national advertising directly to their own selling problems.

"The contest put the individual store in the center of the national stage—and kept it there. Many dealers immediately supplemented the national advertising with special local advertisements, in addition to their price advertising. One operator of a large number of West Coast Piggly Wiggly stores, since the contest closed, has started a multiple-city campaign of his own. Other operators have expanded. New operators are now opening new stores.

"One of the most valuable 'intangible' results of the contest, in the committee's opinion, was the revelation of a latent customer appreciation of Piggly Wiggly stores which crystallized in letters reciting many unsuspected selling advantages. Some of these sellable points, originating with consumers, will have a definite place in the committee's future advertising. Thousands of letters reiterated the Piggly Wiggly ideas, 'Take your Time'; 'See what you Buy'; 'Send the Children'; 'Serve Yourself, Save Yourself.' "No prizes were offered to dealers or operators. Their reward was pictured plainly in the pre-contest work—'More Sales to More Customers.' But every dealer was given—and shown how to use—a calendar of events dating from the start of the contest. A complete outline of publicity was sent to the dealer, showing him how to capitalize locally the national interest in his store. It even included a specimen congratulatory letter to the individual winners in the dealer's territory, to be signed by the dealer.

"Window enlargements of the contest advertisements (full pages) were sent to the stores. Printed on the announcement advertisement was an invitation to come in and get the official entry blank. Small cards carrying one-sentence sales messages as contest reminders told the Piggly Wiggly story in the store. One example: 'No one hurries you, no one worries you—shop leisurely here.'

"Reprint posters announcing the winners were sent to the dealers a week in advance of the publication announcement. Teaser posters, 'Watch This Window Next Monday for the Names of Contest Winners,' were used. And a full-page national advertisement (January 27) pointed out that advance information of winners could be had at the store.

"The committee assigns no single reason for the success of the contest. Each step was checked in advance.

Each step was checked during the contest. Each step has been checked since. The contest has been summed up, for purposes of record, by the committee:

"It was successful far beyond expectation, and it cost less than any contest of record in recent years. Even though the contest ended December 27, 1931, we are still realizing a profit from the sustained, daily interest in Piggly Wiggly stores generated by the contest."

### General Electric Forms Distribution Division

SCHENECTADY—General Electric Company has established a distribution department to take charge of the finished stock of all products except incandescent lamps, electric refrigeration, merchandise and plastics. The work will be in charge of J. V. Anthony, formerly San Francisco office manager, and Hancock Griffin, formerly supervisor of district stocks and warehouse, as assistant manager.

In addition to the handling, warehousing, shipping and billing of finished stocks, both at the various works and at the sales warehouses, the distribution department also will study methods and inaugurate changes in procedure to provide the best possible service at minimum expense.

### Offers \$166 Sprayer Free in Paint-up Campaign

CLEVELAND—A ninety-day campaign on plant interior refinishing, inaugurated by the Glidden Company, paints and varnishes, here, is being stimulated by the free offer of a DeVilbiss electric spray-painting unit, list price \$166.50, with each six-drum order.

In a folder announcing the campaign, the company describes the offer as "our contribution to a brighter future for American industry."

### Air Conditioning on U. P.

OMAHA, NEB.—The Union Pacific System has adopted air conditioning for all dining cars on the Los Angeles Limited and the San Francisco Overland Limited.

### 54 Stations for Charis

EASTON, PA.—The largest daytime program in a number of stations over the Columbia Broadcasting System was inaugurated this week by the Charis Company, here, manufacturer of "foundation garments." The program is on the air fifteen minutes Wednesday afternoons over 54 CBS stations—featuring Ann Leaf at the organ, Ben Alley, tenor, and Dorothy Chase, fashion consultant.





THE RANKING OF THE TWO 7-DAY PITTSBURGH  
NEWSPAPERS AMONG THE WORLD'S LEADERS IN ADVERTISING

FIRST SIX MONTHS, 1930	FULL YEAR, 1930	FIRST SIX MONTHS, 1931	FULL YEAR, 1931
1 Detroit News	1 New York Times	1 New York Times	1 New York Times
2 New York Times	2 Detroit News	2 Washington Star	2 Washington Star
3 Chicago Tribune	3 Chicago Tribune	3 Detroit News	3 Baltimore Sun (EBS)
4 Washington Star	4 Washington Star	4 Baltimore Sun (EBS)	4 Detroit News
5 Baltimore Sun (EBS)	5 Baltimore Sun (EBS)	5 Chicago Tribune	5 Chicago Tribune
6 THE PITTSBURGH PRESS	6 THE PITTSBURGH PRESS	6 THE PITTSBURGH PRESS	6 THE PITTSBURGH PRESS
7 St. Louis Post-Dispatch	7 St. Louis Post-Dispatch	7 St. Louis Post-Dispatch	7 Los Angeles Times
8 Newark News	8 Newark News	8 Newark News	8 Newark News
9 Los Angeles Times	9 Philadelphia Bulletin	9 Los Angeles Times	9 St. Louis Post-Dispatch
10 Philadelphia Bulletin	10 Los Angeles Times	10 Philadelphia Bulletin	10 Toronto Star
11 Pittsburgh Sun-Telegraph	11 Kansas City Star	11 Toronto Telegram	11 Toronto Telegram
	12 Chicago Daily News	12 New York Herald-Tribune	12 Philadelphia Bulletin
	13 New York Herald-Tribune	13 Montreal Star	13 New York Herald-Tribune
	14 Columbus Dispatch	14 Hartford Times	14 Montreal Star
	15 Pittsburgh Sun-Telegraph	15 New York Sun	15 Hartford Times
		16 Kansas City Star	16 Kansas City Star
		17 Boston Herald (MBS)	17 Boston Herald (MBS)
		18 Toronto Star	18 New York Sun
		19 Milwaukee Journal	19 Brooklyn Eagle
		20 Columbus Dispatch	20 Chicago Daily News
		21 Chicago Daily News	21 Milwaukee Journal
		22 Pittsburgh Sun-Telegraph	22 New Orleans Times-Picayune
			23 Columbus Dispatch
			24 Pittsburgh Sun-Telegraph

Based on publishers' reports and Media Records, Inc., deleting American Weekly lineage and advertising of publisher's own enterprises in Sun-Telegraph.  
Standard size newspapers only.

# The Pittsburgh Press

A Scripps • Howard Newspaper

NATIONAL ADVERTISING  
DEPARTMENT OF  
SCRIPPS-HOWARD  
NEWSPAPERS  
230 PARK AVENUE, N. Y. C.



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BUREAU OF CIRCULATIONS  
and of  
MEDIA RECORDS, INC.

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# Editorials

**CHISELERS OF THE PRICE STRUCTURE:** Good work is being done by the *National Petroleum News* in carrying on its fight against buying chiselers. No one can doubt that the continued fall of commodity prices constitutes the most serious problems now confronting American business. Attempts have been made to adjust operations to these untoward conditions; in some cases this has been done with extraordinary success. In far more cases, however, budget readjustments have failed to keep pace with receding gross receipts of which declining prices are the main cause. . . . To the extent that this unpleasant state of affairs is due to the world-wide deflationary sweep, we can probably deal with the difficulty. The credit expansion legislation furnishes machinery which seems adequate for our general needs, provided full advantage is taken of the opportunity thereby afforded to strengthen our position. But even under the most favorable circumstances progress will be slow and irregular if concerted action is not taken to abate the abuse of lower and lower quotations induced to secure business. . . . At a time like this, as everyone knows, buyers enjoy what they consider great power. They know that it is necessary to work off supplies and keep the wheels of production turning. They realize how difficult it is to spurn orders, however profitless, and they are not ignorant of the fact that existing laws tend to keep alive the sort of competition which renders easy their tactics of playing one producer against another. They have been pushing to the utmost their legal opportunity to make the most of distress. . . . It should not be necessary to point out to them the folly of their course, even from their own point of view. In the long run they too must suffer from the consequences of what they are doing to prolong the evils that for the nonce appear to favor them. They cannot escape the tentacles of deflation in their own businesses. . . . It is altogether likely, furthermore, that the harm they are doing will hasten the day of relief from the manacles of the antiquated laws which were designed to give freedom to commerce but have proved under a new order an effective means of clogging its movement so that trade as well as industry is now suffering therefrom. . . . To expect a revolutionary change of buying methods, due to general recognition of the destructive abuses that follow the trail of narrowly selfish policies, would be to indulge in callow optimism, which has done little in recent months to justify its votaries. There is not much to be said either for subtle attempts to evade the laws that have become a public nuisance rather than a bulwark against encroachment upon the people's interest. But the power of public opinion within each industry is still strong enough to deal with the dis-

ruptive agencies which, in the guise of free competition, are sapping the foundations of our industrial structure. The means of arousing this public opinion are known to the leaders of industry. There is no censorship of education in our country. We can still at least open men's minds to the folly of crowding each other to the wall. . . . Nothing in what is here said should be interpreted as evidence that we have lost faith in the credit expansion bill. It should prove to be a veritable arsenal against the legionaries of deflation who have wrought havoc throughout the land. To be fully effective, however, there must be cooperation, under the powers it confers, among constructive forces, and they must be active in defense of the business edifice against malign factors which for temporary gain prevent remedial influences from complete accomplishment of their purpose. Price chiselers are public enemies who should be identified and dealt with accordingly.

**NEGLECTED OPPORTUNITIES COMING TO LIGHT:** Characteristic of what is going on in efforts to find new sources of income in these days when every dollar counts is the current talk of increasing commercial use of the new products and processes uncovered by our industrial research laboratories. Activity in these laboratories has fortunately not been curtailed by the necessity of cutting expenses in most other departments. As a matter of fact the tendency has been to enlarge the opportunities for helpful exploration in the 1,600 industrial research laboratories now established in this country. Their discoveries have been helpful and often extremely valuable to individual concerns responsible for them, but the idea of licensing rights to new products and processes in non-competitive areas has lain dormant except in a few notable cases. . . . The present suggestion, which was discussed at a recent meeting of industrial research executives, is to organize this division of the National Research Council to exploit and merchandise such rights, notably in the chemical and textile fields, which are rich in openings of this kind. Indeed, some well-informed observers of the work which has been done recently in research laboratories go so far as to express the opinion that if full advantage is taken of the results achieved in all the laboratories, which are maintained at an annual cost to industry of a quarter of a billion dollars, a real impulse may be given toward general business recovery. . . . This may be a sanguine view but the circumstances described by those who know what they are talking about seem to warrant expectation of substantial rewards.





ECHOES, sounding down thru the corridors of time, reflect Arts contribution, in the various periods of culture, to adornment and attire.

Pride of conquest has spared no pains in exacting the rarest to be offered in compelling attention and approval. The style of the package today measures the character of the product.

Sterling Engraving Company offers highly efficient and complete Departments of creative commercial art and photo-reproductive processes, featuring the production of folding boxes, labels, and packages. Technical experts experienced for upwards of a quarter of a century in contacting the most exacting markets direct this service.

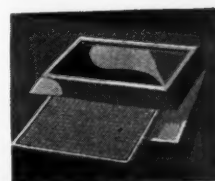
COLOR PROCESS • BLACK AND WHITE • BEN DAY • LINE

**STERLING ENGRAVING COMPANY, NEW YORK, N.Y.**

*"Specialists in the Art and Industry of Packaging"*

304 EAST FORTY-FIFTH STREET

Telephones—Murray Hill 4-0715 to 0726

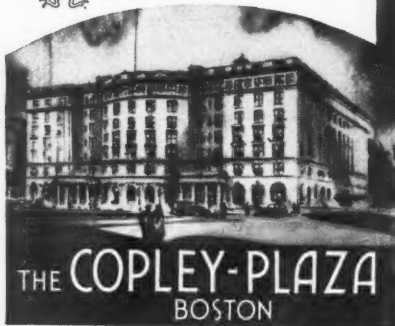




THE SAVOY PLAZA  
NEW YORK



HENRY A. ROST  
President



THE COPLEY-PLAZA  
BOSTON

ARTHUR I. RACE - - Managing Director

## HOTELS of DISTINCTION

OF NEW YORK and BOSTON

FRED STERRY  
President



JOHN D. OWEN  
Manager

### THE PLAZA NEW YORK



● The Plaza and The Savoy-Plaza are on upper Fifth Ave., at the entrance to Central Park. Single rooms; bath; \$6.00 up. Double rooms; bath; \$8.00 up.

The Copley-Plaza is in the fashionable Back Bay section, convenient to everything, Boston's finest hostelry; rates \$4.00 up.

Reservations for the National Hotel of Cuba may be made at these hotels.

## Bigelow-Sanford Finds New Policies Prolific

NEW YORK—Bigelow-Sanford Carpet Company, largest factor in the soft-floor covering field—doubled its operating profit from \$1,087,648 in 1930 to \$2,028,668 in 1931, largely as a result of changes in marketing and distribution methods, John A. Sweetser, president, announced last week.

"Early in the year," Mr. Sweetser said, "we recognized the necessity of re-arranging our sales methods to suit new conditions," and "put into effect throughout the United States a system of selective distribution, first tested in the New England territory."

The number of Bigelow-Sanford wholesalers, as mentioned in a recent issue of this magazine, was reduced from about 50 to 12, to "eliminate duplication in selling effort and expense."

Inventory during the year was marked off from \$7,632,666 to \$7,053,861—the difference being charged against earnings.

Profit increases of two other important factors in the floor covering field, Mohawk Carpet Mills and Congoleum-Nairn, Inc., were reported in the Plus Signs column last week.

## Retail Groups Undertake Joint Appliance Study

NEW YORK—A survey to be devoted to the problem of merchandising appliances by utilities and to better sales methods by the other retail factors involved will be undertaken for the Electrical Merchandising Joint Committee by Dr. Kenneth Dameron of the College of Commerce, Ohio State University.

The Committee was organized to "assist in the development of orderly and profitable distribution of electrical goods and to mitigate unfair trade practices."

It is made up of the National Retail Dry Goods Association, the National Retail Hardware Association, the National Retail Furniture Association and the National Electric Light Association.

## Again Heads Canadian Victor

CAMDEN—B. Gardner, who recently completed the organization of the international activities of the RCA Victor Company, has resumed his duties as president of the Victor Talking Machine Company of Canada, Ltd.

## 105 More Graham Dealers

DETROIT—Graham-Paige Motors Corporation added 105 dealers in the first seven weeks of 1932.

Send for  
copy  
of  
Standard  
Market  
Data

of  
BILOXI  
and

GULFPORT

that will come  
from the press  
this month

THE DAILY HERALD

Herald Bldg., Biloxi, Miss.  
Herald Bldg., Gulfport, Miss.

## Hosiery Salesmen Wanted

Large hosiery manufacturer making complete line of trade-marked hosiery, with national distribution, can use the services of two or three high grade salesmen. Address,

Hosiery Manufacturer

SALES MANAGEMENT  
420 Lexington Avenue  
New York City, N. Y.

## Extra Copies

If you want extra copies of this issue please order promptly, as our supply is frequently exhausted a week after date of issue.

## PHOTOSTATS

COMMERCE  
PHOTO-PRINT CORP

42 Broadway 33 West 42nd St 80 Maiden Lane  
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PHOTOGRAPHS



## American Companies and the British Tariff

(Continued from page 289)

tory at Nottingham, use of which, it is believed, has been discontinued, but which may come into production again now to make this company's adding machines, etc., for the British market.

A large number of firms are switching over to Canadian factories—among them Kayser silks. Under the present tariff Kayser stockings would be paying 83½ per cent duty, not to mention the loss on exchange. Beginning February 1 Kayser is advertising a British-made article. The new Canadian mill will be able to supply all Kayser lines sold on the English market and thus avoid the new 50 per cent duty and obtain a preference on the existing 33½ per cent duty, while the loss on the Canadian dollar is not so great as on the American dollar.

The United Typewriter Company, Ltd., of Canada proposes to manufacture in Canada its Underwood machine, having previously only assembled and distributed the American Underwood. The British market will henceforth be supplied from this source. Remington also is reported as having decided to extend its Toronto plant to provide for increased production—presumably for the British market. In view of the announcement of Hudson-Essex to build a plant at Tilbury, Ontario, it may be assumed, though no decision has yet been reached, that the English company will eventually draw on this factory for its supplies. As already stated in SALES MANAGEMENT, Philco will draw on Canada for further supplies.

In the refrigerator field, Kelvinator doubtless will transfer from Detroit to Toronto for future supplies. A number of parts already are obtained in England. Only slight price increases have so far been made. In the case of the British Thomson Houston refrigerator (General Electric) no increase has been made in price since October, nor is any further increase contemplated. The October increase is not thought to have affected sales. Frigidaire at this writing (February 1) has not made up its mind.

Kodak, Ltd. (Eastman) welcomed the new tariffs on photographic apparatus and materials as a check on importation of competitive goods from the Continent. As a result Kodak, already employing 4,000 British people at its Harrow plant, will increase this number.

Chrysler intends to increase the British content of all lines sold in England. Though it will be gradual, this

development will eventually result in the production of a British Chrysler and Dodge. All units are now assembled in the British works. Studebaker Distributors, Ltd., has considered importation of the Rockne, but is unable to go further in the matter with the pound at its present level. Reo may assemble in England.

An interesting statement comes from Selfridge, the great London department store. "The volume of American-made products sold in our stores is very small, indeed. It is confined practically to those proprietary articles such as typewriters, freezing machines and a

few other similar but very well-known products. That, however, does not refer to tinned and other foodstuffs which come from certain parts of America. The conditions brought about by the change in the gold standard have, of course, affected materially the possibilities of buying advantageously other products which may, in the past, have been available to us. Such things as hammocks and garden furniture, coffee machines, typewriters, cooking stoves, meat juice, radio, are all, we think, likely to be very seriously handicapped by the exchange rate and the tariffs together."



## Your Small Town Dealers Need Advertising Support

ARE you giving your small town dealers the same generous support that you extend to dealers in large cities? Are you placing advertising in small town media on a scientific basis comparable to that of your investment in metropolitan markets?

If not, you are not being fair to your small town dealer, nor to yourself. The small town merchant has placed your goods upon the shelves. (In 107 small town grocery stores and 98 drug stores recently investigated by GRIT's field staff we found a vast majority of 209 national brands stocked by

all stores). You have distribution in small towns, but you can maintain it only by causing the consumer to ask for your brand and thus move the merchandise from store to home.

In the 14,000 small towns where GRIT is read every week your dealers have the right to demand an advertising schedule in GRIT. They know that GRIT goes into the homes of their customers which national magazines and metropolitan publications fail to reach. They know that advertising in GRIT boosts sales for them—and for you. Send for a copy of "A Merchandising Study of the Small Town Market."



Read Every Week by Over 425,000 Families in 14,000 Small Towns

Member A.B.C.

Williamsport, Pa.

# Media and Agencies

Just a few days ago the New York *American* sent forth a new promotional job called "Retailing Digest," for retailers, merchandisers and buyers. All they ought to know about current trends in business which might influence retail trade—set forth in pithy paragraphs whittled of all superfluous comment.

Vol. I, No. 1, of "Retailing Digest," contains estimates of February sales, stocks, collections and comments on trade in department stores, the jewelry and shoe industries. From another paragraph we learn that the Borsodi Analytical Bureau predicts a 15 per cent rise in sales in 1932. There is a list of the number of males and females engaged in the principal occupations in New York City. And any merchandiser would be interested in the crisp comments on "What Your Customer Will Ask For" in the way of fashions in 1932. Thumb-nail-surveys of salient points in silhouette, colors, fabric and accessories. The *American* presents the information by courtesy of the United Business Publishers, Inc., from whose publications the material is digested.

\* \* \*

The nearest thing to a true picture of a *True Story* reader may be drawn from an analysis of the sort of service literature they send—and pay for—at the T. S. Home Maker Library. In 1931, 82,515 American women bought a T. S. cook book. Ergo, their chief and foremost interest is in food. Service literature on babies and children comes next in demand after that on food. Third in the T. S. mother's interests comes style.

\* \* \*

To the end that their time will be cut into less frequently by casual hit-and-miss calls from publishers' representatives, the Geyer Agency, Dayton, is planning semi-annual general presentation sessions. At these periods Geyer's account executives and media men will assemble to consider the presentations which may cover several accounts if desired. The arrangement will not preclude incidental calls.

\* \* \*

According to Frederick E. Murphy, publisher of the *Minneapolis Tribune*, the income of Minnesota farmers in 1931 exceeded their income for 1911 by 61 per cent. Contrast this with the picture offered by the farmers of the United States as a whole, whose income in 1931 was 1.03 per cent less than in 1911. The answer lies in the fact that about a decade ago, at the suggestion of Mr. Murphy that grain farmers diversify with cattle-raising and the merchandising of dairy products, the Agricultural Credit Corporation of Minneapolis was organized to help handicapped grain-growers to buy dairy cattle and sheep. With the adoption of the new system agricultural income in Minnesota jumped almost \$100,000,000 a year. All of which explains the buying power of the north-west.

\* \* \*

The Index of Business, according to the statistical department of *World's Work*, is 34.4 per cent below normal for the month of January. The business thermometer, therefore, has not fluctuated a

jot since December, 1931. Encouragement is found in the fact that this is the first January in three years which has held its own over the previous December. In 1930 and 1931 January registered marked declines from December levels.

The release from which this data was gathered is the first of a monthly series of business indices being issued by *World's Work*. The monthly figures, computed from twenty-three different series, weighed and adjusted, are grouped under the headings: Financial, Distribution and Production. The factors considered in arriving at the financial index are: stock sales, bond sales, stock prices, money rates, new financing, bank debits in New York City, circulation of bank deposits in New York City. The series considered for the distribution figure are: bank debits outside New York City, circulation bank deposits outside New York City, carloadings, miscellaneous and l. c. l., cotton, cloth, shipments, foreign trade, advertising, department store sales. For production: construction, bituminous coal, crude oil, cotton forwardings to U. S. mills, cotton cloth production, commodity carloadings, electric power, steel activity, automobile production.

\* \* \*

A new nation-wide cooperative network of advertising agencies is in process of formation, according to information received today from Charles Austin Bates, Inc., New York, sponsors of the group. The affiliations and operations of the network will resemble those of the First Inter-Agency Group, numbering twenty-five non-competing units, as planned by Lynn W. Ellis, who will be associated with Charles Austin Bates as an advisor.

\* \* \*

Effective March 15, day rates over the Columbia Broadcasting System will be on the basis of local instead of current New York time. This means that if a program is broadcast between 6:00 p. m. and 9:00 p. m., New York time, day rates will apply on all stations from which the program is broadcast prior to 6:00 p. m., local time. If, during the summer time, the Coast retains standard time and New York goes daylight saving, the rates will apply up to 10 o'clock, New York time, since they don't reach the Pacific Coast before 6:00 o'clock in that event.

\* \* \*

The Penton Publishing Company announces the change of *Foundry* from semi-monthly to monthly, effective with the April issue.

\* \* \*

*Ballybo* announces two changes of interest to advertisers: 1. The acceptance of serious, as well as burlesque copy, effective immediately. 2. Reduction in rates. Circulation guarantee remains at original 750,000 net paid, though they anticipate a circulation of 1,250,000 in March. *Ballybo* is now making application for A. B. C. recognition. Editorial policy remains unchanged.

\* \* \*

Account Changes: Another advertiser to appoint a Pacific Coast agency to handle its western business is Durkee Famous

Foods, Inc., which has gone with the Leon Livingston agency, San Francisco. . . . Dwelly, Pearce & Company, New York, to the United Advertising Agency. . . . Stickney & Poor Spice Company, Boston, to Badger and Browning, Inc. . . . X-Otic, Inc., of New York, with Arthur Rosenberg Company, Inc. . . . National Paper Products Company of New York and Carthage, to Platt-Forbes, Inc. . . . Janesville Clothing Company to Arthur Towell, Inc. (Sectional farm papers and direct mail will be used.) . . . Pocono Tobacco Division of the Penn Tobacco Company of Wilkes-Barre, to Charles W. Hoyt Company, New York. . . . The Wilcox Company, Hartford, to United Advertising Agency. . . . Reliance Manufacturing Company, Pennsylvania Company for Insurance, Northwestern University, Culver Military Academy, Acme Steel Company, all to Carroll Dean Murphy, Chicago. . . . Patent Cereals Company, Geneva, New York, to Moser, Cotins & Brown (trade magazines and direct mail will be used).

\* \* \*

Personnel changes: A. M. Staehle, formerly sales manager of *Engineering and Mining Journal*, *Coal Age* and *Metal and Mineral Markets*, which form the Mining Group of papers published by the McGraw-Hill Publishing Company, has been appointed sales manager of *Engineering News-Record* and *Construction Methods*. . . . Forbes M. Morrison, for ten years vice-president of the Dyer-Enzinger Company, Inc., is now a member of the staff of Cramer-Krasselt. . . . Charles T. Nounnan to Smith & Drum, Inc., Los Angeles. . . . Russel V. Cline becomes vice-president of Carpenter Advertising, Inc., Cleveland. . . . Col. T. Viskniskki has resigned as business manager of the *Chicago Daily News*.

\* \* \*

Miscellany: Bowman, Deute, Cummings, Inc., Los Angeles, has been elected to membership in the American Association of Advertising Agencies. . . . Philip A. Frazier, for seventeen years with R. R. Donnelly, has joined the W. B. Conkey Company as production manager. . . . James F. Newcomb & Co., Inc., are moving on February 27 to new quarters at 150 Varick Street, New York.

## U. S. Packages at Leipzig

LEIPZIG—Maxwell House Coffee of General Foods Corporation, and the Cotton Picker and Blue Jay lines of Bauer & Black, will be represented in the group of American products to be shown in a packaging display at the Leipzig Trade Fair, March 6-12. Products of some 9,000 manufacturers from twenty-five countries will be shown at the Fair this year.

WILLIAMSPORT, PA.—J. M. Homs, export manager of Lycoming Manufacturing Company (Cord subsidiary), has also become New York distributor for Lycoming Marine engines with offices at 44 Whitehall Street, the territory covering New York City, Long Island, Connecticut and Northern New Jersey.



## Coty Pushes "Quality" Stores in Consumer Advertising Plan

NEW YORK—"This advertisement is sponsored by Coty in the interest of retailers whose service standards prompt them to feature nationally recognized, quality brands."

So reads the line at the bottom of each advertisement in a series just launched by Coty in 177 newspapers in 156 cities, and in the *American Weekly* in 17. The company is continuing its advertising in some 16 magazines.

In addition to stimulating consumer sales, it is intended to strengthen the new Coty policy (SM January 16) of selling only to dealers who "appreciate the need for fair and better retail prices." This policy also involved the elimination of wholesalers and the establishment of a limited number of sales agents to handle the line on a consignment basis only.

The advertising campaign is described by an executive of the company as the "first of a contemplated series of constructive, cooperative efforts by Coty on behalf of the retailer who aims for sustained prosperity through the maintenance of sound business practices."

## Knit Underwear Makers Hold Trading-up Drive

UTICA—The Retail Group—the mill members of the Associated Knit Underwear Manufacturers of America, who sell direct to retail stores—is sending a series of six letters to 30,000 retailers urging the necessity of "trading up," to avoid the "price quagmire toward which a great many seem to be headed."

"Having exhausted the watery possibilities of the other kind," says Letter No. 1, "the public is now demanding better-grade merchandise."

And Philip D. Armour is quoted in Letter No. 6 to the effect that "Anybody can cut prices—but it takes brains to make (or to sell) a better article."

SAN FRANCISCO—Tan Portland cement has been developed by the Pacific Portland Cement Company here. The new process, Robert B. Henderson, president, believes, marks the "first improvement in the basic gray color of Portland cement since its discovery 108 years ago."

CHICAGO—A "self-sustaining" promotional campaign has just been started by the New Bismarck Hotel here, through a line of candies and cigarettes bearing the Bismarck name. The profit from the sale of these products has been large enough to bear the cost of the program.

# EXECUTIVES SAY SALES CONTROL MAP BIG HELP IN ROUTING BEST MARKETS

See-at-a-Glance Symbols and Population Grouping  
Popular Features

## SPOTS ALL CENTERS OF 10,000 POPULATION BASED ON LATEST CENSUS

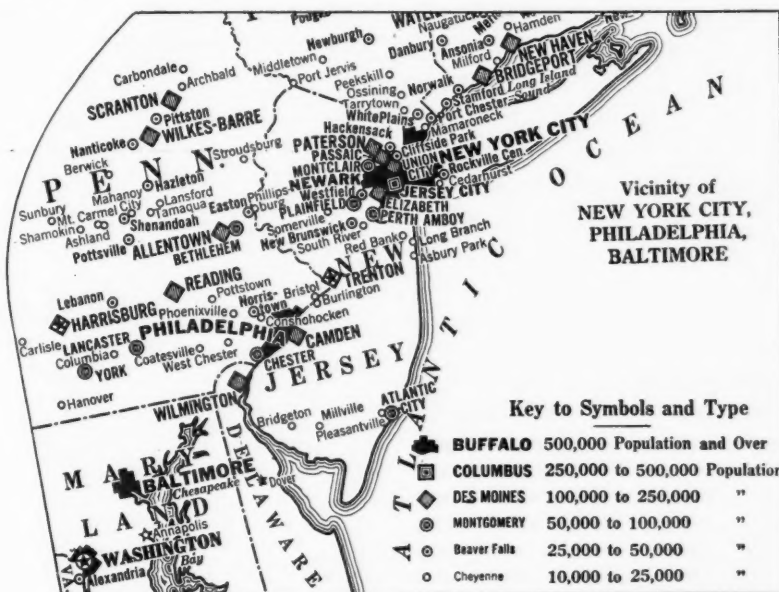
The Sales Control Map which SALES MANAGEMENT illustrated and described two weeks ago has met with a popular response from readers.

Among the firms which have ordered copies for sales or advertising use are Lehn and Fink; Bessemer Cement Corp.; DuPont Rayon Co.; Crystal Chemical Co.; Outdoor Advertising, Inc.; The Todd Co.; International Magazine Co.; Chas. H. Phillips Chemical Co.; International Business Machines Corp.; The Kotex Co.; Estate Stove Co. and Pepperell Manufacturing Co.

lation of a city from one census classification to the class above.

As examples of TRUE population as against CENSUS population, Washington, D. C., has a population of 486,869, and technically belongs in Class 2, but the immediate suburban area rightfully puts it in Class 1 (cities of 500,000 or more) and that is how it shows up on this map. Wilkes-Barre has a census population of 86,626, but the nest of immediately adjacent small towns around it makes its true population above 100,000.

Executives who are using the map tell



Copyrighted 1932 by the Mapdraft Company  
This new Sales Control Map gives the exact location and comparative population importance of 1,134 cities in the U. S. A. and Canada. Finely lithographed on a heavy quality of bond paper; size 44 x 30 inches. Price, postpaid, in mailing tube, \$3.50. Use coupon below.

As shown by the reproduction above of one small, congested area in the East (greatly reduced), the new Sales Control Map gives both by graded type and see-at-a-glance symbols the relative importance of city areas. The census figures were used as a BASE, but attention was given to the immediate suburban areas which so often transfer the TRUE popu-

us that they find it extremely helpful in locating density and mass purchasing power at a glance, for marking off jobbing territories, for setting up new territories for salesmen based on latest population, retail sales and income reports, for operating map tack systems, for visualizing distribution of retail outlets, etc.

SALES MANAGEMENT, INC.,  
420 Lexington Avenue, New York, N. Y.

We enclose check for \$3.50 for which send us postpaid one copy of the SALES CONTROL MAP.

Company .....

Street .....

City ..... State .....

Mark for attention .....

## Plus Signs

+++ IN JANUARY, FOR THE FIRST TIME SINCE MARCH, 1931, more workers throughout the U. S. A. obtained employment in manufacturing industries than were laid off. Industries to show the largest increases were automotive, boot and shoe, cotton, men's clothing and saw mills.

+++ EVERY ONE OF THE TWELVE FEDERAL RESERVE DISTRICTS showed an increase in bank debits for the week ending February 17—the aggregate being an 8 per cent gain.

+++ THE SOUTH ATLANTIC AND THE SOUTH CENTRAL DISTRICTS showed big increases in the total cost of new buildings constructed in January over December.

+++ THE AVERAGE JANUARY WEEKLY PAYROLLS of 446 concerns reporting to the Michigan State Department of Labor increased 15 per cent over December.

+++ THE IRVING FISHER INDEX OF Wholesale Prices on All Commodities increased 0.2 per cent for the week ending February 22.

+++ THE NUMBER OF FAILURES last week decreased 20.7 per cent, as compared with the preceding week.

+++ CARLOADINGS increased 2.4 per cent last week.

+++ IN JANUARY the consumption of silk increased 21.4 per cent over December, and cotton increased 4.8 per cent.

+++ THE CAMDEN PAPER MILL, largest factory in Arkansas, is employing more people now than ever before, running four shifts a day . . . January showed an upswing in employment figures for the state of Arkansas.

+++ UNFILLED ORDERS of the Globe-Wernicke Company, Cincinnati, are twice those of a year ago.

+++ THE BEECHNUT PACKING COMPANY is operating a night shift because of heavy candy orders.

+++ THE GRANITE CITY, ILLINOIS, PLANT of the National Enameling & Stamping Company is running three eight-hour shifts, with orders on hand to keep the plant going at capacity for three months.

+++ THE PUBLIC SERVICE COMPANY of Northern Illinois shows both an operating and a gross revenue for the year 1931 higher than any previous year.

+++ BANK SUSPENSIONS last week were the fewest for any week in a year. No closings were reported last Tuesday—the first day since early 1930 in which no bank failures had been recorded.

+++ ORDERS FOR CAILLE MOTOR BOATS since the show are double those of any similar period in this company's history. . . . Shipments to dealers by the

Chrysler Corporation during the first fifteen days of February were three and a half times greater than the entire month of February, 1931.

+++ THE MILWAUKEE PLANT OF THE SEAMAN BODY CORPORATION, makers of bodies for Nash cars, is adding approximately 1,500 men to its present force of 1,700 . . . 200 men were added to the Ford plant in Milwaukee in the last two weeks, and 400 more will be added in the immediate future.

+++ THE GILLETTE SAFETY RAZOR COMPANY put its common stock on a dividend basis last week . . . the first dividend since January 1, 1931.

+++ THE CHRYSLER CORPORATION earned \$1,468,000 last year, against \$234,000 in 1930.

+++ THE PAYROLL AT THE CADILLAC-LA SALLE PLANT in Detroit averages about 6,300, and is approximately the same as during the peak months of 1929. Sales for the first ten days of February increased 78 per cent over the same period in January and 14 per cent over last year.

+++ JANUARY SALES OF THE HUPP MOTOR CAR COMPANY exceeded those of December by 20 per cent.

+++ NEW BUSINESS written by the life insurance companies in January exceeded the 1931 month by 6.4 per cent.

+++ THE PUBLIC SERVICE CORPORATION OF NEW JERSEY's net income in January was \$4,739,477, as against \$4,611,840 in January, 1931.

+++ AWARDS OF HEAVY ENGINEERING CONTRACTS last week totaled \$19,590,000, as against \$10,656,000 for the previous year.

+++ THE EMPLOYMENT INDEX OF THE DETROIT BOARD OF COMMERCE for February 15 stood at 69.4 and marked the seventh consecutive fortnightly increase since October 31.

+++ THE BIGELOW-SANFORD CARPET COMPANY earned \$2,028,668 in 1931, as against \$1,087,648 in 1930.

+++ INITIAL REPORTS of the nationwide drive of the American Legion for 4 million jobs shows Wisconsin leading for the first two days with 4,457 wage earners taken on in ten communities.

+++ THE SCOTT PAPER COMPANY's 1931 sales show a gain of 38 per cent in tonnage—almost the same as their increased appropriation for newspaper advertising (30 per cent).

+++ MINNEAPOLIS-MOLINE Power Implement Company added 150 employees at their Minneapolis plant this week.

+++ QUAKER OATS made \$6,856,592 last year, as against \$6,003,859 in 1930.

## Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display Cash Basis Only. Remittance Must Accompany Order

### EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-two years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building Buffalo, N. Y.

### EXPORT LINES WANTED

EXPORT—WELL ESTABLISHED ORGANIZATION representing several nationally known American manufacturers and actively working foreign markets, will handle the export of one or two additional non-competitive lines. Exceptional proposition. Highest banking and commercial references. Address Box 332, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

### LINES WANTED

PACIFIC NORTHWEST DISTRIBUTION, coverage, sales available. Are you getting your share? Successful sales and buying executive with many years' experience now able to handle line for reliable organization. Married, references as to ability, character, etc. Can devote time to travel in order to get coverage, distribution and INCREASE SALES. Please address Box 330, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

### POSITION WANTED

SALES AND ADVERTISING EXECUTIVE available—Age: 33; A.B., M.A. degrees; formerly account executive with one of largest New York advertising agencies, well-rounded knowledge of drug and cosmetic business—can travel if necessary, desires position in sales or advertising department of manufacturer. Please address Box 334, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

YOUNG COLLEGE GRADUATE (SCHOOL of Business Administration), age 25, single, wishes to make connection with reliable and progressive manufacturer. Well versed in sales correspondence and willing to pitch-in and help where it's needed. References as to character, ability, initiative available. Please address Box 335, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

### SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FROM our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis. 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

TORONTO  
HALIFAX  
MONTREAL  
WINNIPEG  
LONDON, Eng.

"GIBBONS KNOWS CANADA"

J. J. GIBBONS Limited, Canadian Advertising Agents

REGINA  
CALGARY  
EDMONTON  
VICTORIA  
VANCOUVER



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IN TWO SECTIONS, SECTION II, 1932

# SALES

## *management*

### Strengthen 1932 Sales Operations

Most sales executives, today, face urgent problems: intense price competition — reduced consumption — lower purchasing power — shrunken dealer organizations — harder selling.

These conditions call for closer planning of sales policies and methods — for new and better sales tools — for more intensive sales training.

For seventeen years we have been working with business leaders in sales activities. This work has included:

*Sales Development Programs, including Training Courses, Manuals, Portfolios.*

*Sales Surveys, covering Products, Policies, Methods.*

*Motion Pictures, for Consumer Education, Dealer Training.*

Each job is individually planned to meet the client's problems. An executive member of our staff will be glad to call by appointment — without obligation, of course.

**Business Training Corporation**  
**Caravel Films, Inc.**

*Divisions of Trade-Ways, Inc.*

350 Madison Avenue

New York



#### *Some Typical Clients*

Aeolian Company  
American Gas Association  
Bigelow-Sanford Carpet Co.  
Cluett, Peabody & Co.  
Curtis Companies, Inc.  
Davis & Geck, Inc.  
Drug, Inc.  
Eastman Kodak Company  
Eugene, Ltd.  
General Foods Corporation  
General Motors Truck Co.  
B. F. Goodrich Rubber Co.  
Hammermill Paper Co.  
Hartford Fire Insurance Co.  
H. J. Heinz Company  
Household Finance Corp.  
International Association  
of Milk Dealers  
Kelvinator Corporation  
National Lead Company  
Pennzoil Company  
Petroleum Heat & Power Co.  
Sparks-Withington Co.  
Studebaker Corporation  
Standard Oil Co. of N. Y.  
E. R. Squibb & Sons  
U. S. Chamber of Commerce

MANAGING SALE  
IN 1932



(Left) B. F. Goodrich Rubber Company salesmen will be better armed this year than ever before—this board holds 26 sales tools presented at regional conventions in January. (Below) This poster enabled each Electrol salesman to record his own progress toward "Prosperityville," in the contest described on page 329.



Goodrich kits containing tire cross sections, etc., provide attractive display for a product that hasn't much display value in itself.



(Above) Electrolux's portfolio presentation uses a minimum of copy, emphasizing all important sales points with excellent photographs done in color. (Left) 201 orders closed in one day by Rex Cole salesmen during the "Vice-president's Contest" make a cheerful bulletin board—and supply plenty of challenge for further sales effort. This contest is described on page 328.



# Foreword

"... the problem of an operating executive is that of a tactician who must use men plus dollars and media. It is not for me to say which is of most importance. But I can say which presents the greatest challenge. It is the handling and training of the men in making the other efforts most effective."  
—Daniel Woolley, vice-president, Standard Brands, Inc.

THE deflation of the past two years has driven home forcefully to sales executives the fact that the only men who can build sales, regardless of "conditions," are men who are professionally trained and professionally equipped to do a selling job. The untrained, poorly equipped salesman is now generally recognized as one of the principal factors in high distribution costs.

The man who goes into the field today without adequate training and adequate equipment only aggravates the high-cost-and-low-volume condition so widely prevalent. He has neither the vision nor the technique of creative selling. It is he who creates the no-profit problem because he is licked every time a competitor quotes a lower price. It is he who runs up excessive overhead because he represents continuous turnover on the sales force.

The editors of SALES MANAGEMENT have contacted a large group of sales executives to learn what problems are to receive special attention in 1932. This survey showed that the finding and building of adequate man power will be foremost in the thoughts of marketing executives during coming months. Based on these discussions, the editors make the following forecast for 1932, as to the measures that will be taken by the companies that will weather the year with the best sales and profit showings, along the line of making the sales force more efficient:

1. A general weeding-out of unprofitable salesmen will take place.
2. Closer supervision of salesmen will be an important factor in profitable sales-building.
3. Systematic sales training will be put into operation by many companies that have heretofore had no training plan, and will be pursued even more intensively by those who have been engaged in it for some time.
4. More selling helps, and better selling helps, of all kinds, will be used to increase the efficiency of salesmen.
5. Greater attention than ever will be given to incentive factors in the compensation plan, with heightened interest in methods which relate the payment method directly to the profits each man creates.
6. There will be a more careful budgeting of salesmen's time, so that the men work on a selective selling basis rather than a hit-and-miss basis. In other words, salesmen will spend more time with the profitable accounts, and less with the small, unprofitable ones.

With these trends in mind, SALES MANAGEMENT has prepared this supplement to the regular magazine, devoted entirely to a discussion of hiring, training, paying and equipping the 1932 salesman. Readers who are interested in further facts about any of the plans or ideas discussed in this report may address questions to the Readers' Service Bureau, SALES MANAGEMENT, Graybar Building, New York. SALES MANAGEMENT will also furnish additional information about sources of supply for any of the maps, manual binders, films, or the materials needed in the preparation of any sales help.—THE EDITORS.

# SALES management

420 Lexington Ave.,

New York, N. Y.

Vol. XXIX. No. 9 PART II February 27, 1932

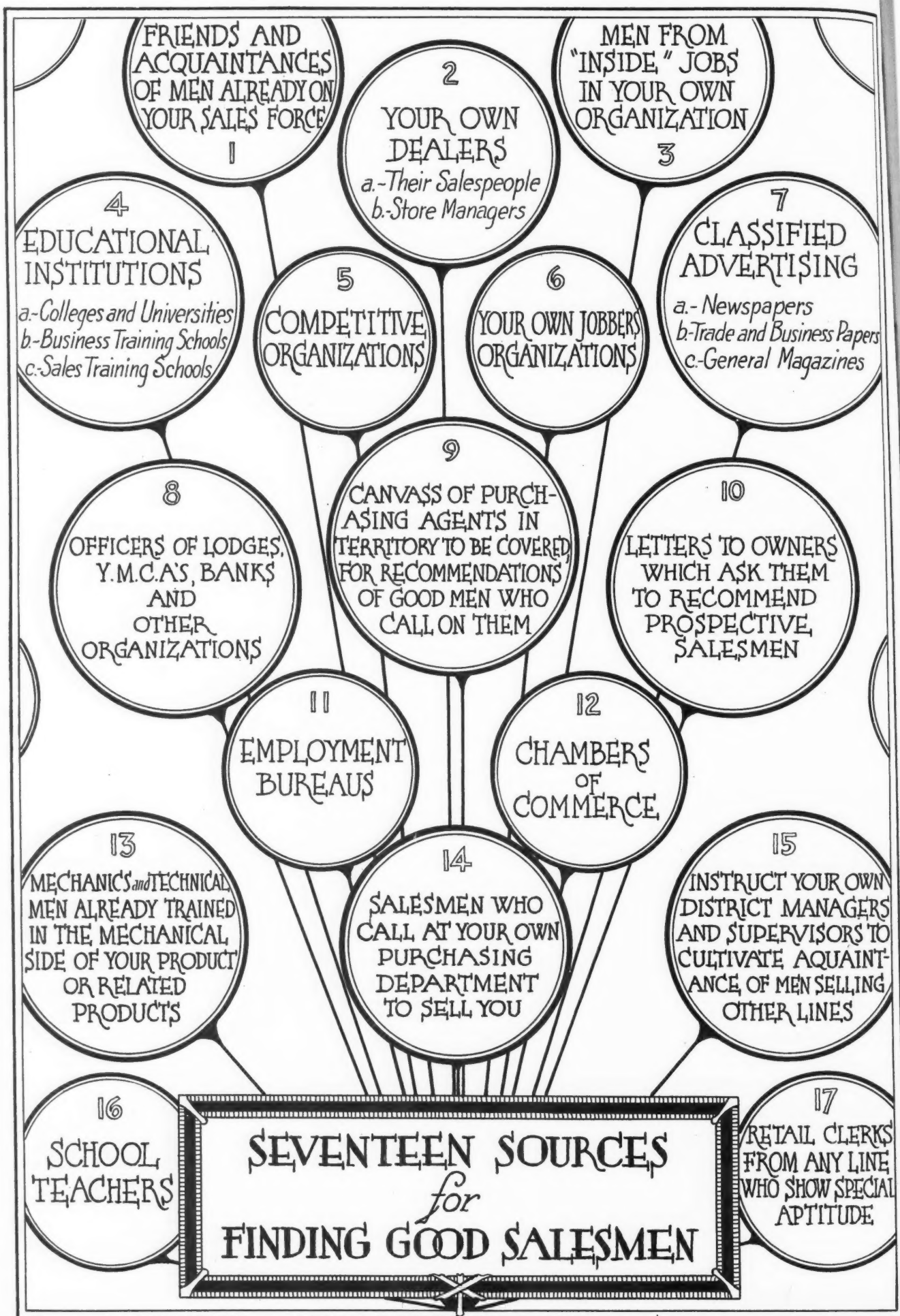
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## Section I.



## Section II.

# Training Salesmen and Dealers

"The sales executives who stand the best show of real success with the return of better times are those who have thrown away the whip and who have developed highly trained and specialized sales organizations."—*Ivan F. Woodrow, vice-president, Automatic Washer Company, Newton, Iowa.*

**N**OT long ago the vice-president of a big Connecticut manufacturing concern wrote the editors of SALES MANAGEMENT: "I believe the average business man in the present crisis sees no way out except by slashing prices on the goods he sells, and slashing the income of people producing and selling the goods . . . my reaction is different. I am trying not to do this. On the other hand, I am trying to increase the efficiency and the income of salesmen and to that end have inaugurated a scientific school for salesmen. I intend never again to put on a salesman for this company who is not a graduate of this school. In other words, we are willing to spend more money at the present time rather than less, to increase the efficiency and the income of our salesmen, rather than trying to find ways and means for cutting down their income."

This executive, along with many others of his profession, has learned that the untrained "you-don't-need-anything-today-do-you?" salesman is a curse and a poor investment. Too much of his time has been taken up with interviewing and hiring new men to replace those who couldn't make the grade. Territories not adequately manned have gone over to competitors. Profits have been unsatisfactory.

It is amazing that the belief still persists in many quarters that sales training is not worth its cost. During the past year SALES MANAGEMENT has reported the stories of how dozens of companies were able to come through the depression with creditable—and in some cases, record-breaking, sales. In practically every case one factor of importance was systematic, continuous, intensive sales training.

**B**EFORE systematic training, a large life insurance company did a volume of \$20,000,000 with 1,700 men. After training, 450 men produced \$60,000,000. An electric appliance manufacturer sold \$1,250,000 with 30 men; after training, he sold \$3,500,000 through 17 men. A furnace manufacturer closed \$12,000,000 worth of business with a force of 300 untrained men; after training he cut the force to 227 and produced \$16,000,000.\*

An eastern manufacturer of heating equipment who operates a continuous school for new and old men, reports that 80 per cent of the men trained stick and make good. William Howlett, sales promotion manager for Westinghouse Electric Supply Company of Detroit, is authority for the statement that 60 per cent of trained refrigerator salesmen are successful as quota-makers.

The Toledo Scale Company reports that turnover of salesmen was less than a third as high after systematic training. The first hundred graduates of their school increased their sales volume 50 per cent over the average of 250 others who had not then received such training. An executive of the Coleman Lamp & Stove Company, writing

in SALES MANAGEMENT several years ago, pointed out that the first eleven years of this company's history recorded only a slow and unsatisfactory growth. Founded in 1901, they were still practically an unknown factor in the industry in 1912. Then they found a way to train their field men to educate dealers—and real expansion began. In July, 1931, SALES MANAGEMENT printed the story of how this company sold more than 7,000 stoves in a special campaign conducted during the heart of the depression. (See July 11 SM).

When Chevrolet inaugurated a sales training plan the company's salesmen were selling an average of 24 cars a year; after a year of systematic training the average jumped to 36 cars annually. The second year the average jumped to 46 cars a year. The third year the average passed 50.

To show what this plan did in cutting turnover on the sales force for Chevrolet: on July 31, 1925, there were 10,469 salesmen selling Chevrolet cars, only 1,973 (or 18.8 per cent) of whom had been selling them for as long as 12 months. By July 31, 1926, there were 11,769 Chevrolet salesmen, and 2,544 of them (or 21.6 per cent) had kept their same jobs over 12 months. By the same date the next year the sales force numbered 16,383 men, and 4,843, or 29.6 per cent, had completed more than a year's service. In 1928, when this compilation was made, R. H. Grant, then vice-president in charge of Chevrolet sales, predicted that the percentage would be more than double what it was in 1925.

**T**O show what the plan did in increasing the number of salesmen in the company who ranked as star producers, in 1925 there were only 128 salesmen eligible for the "72-Car Club." The next year there were 870 members, and in 1927, 2,848 members. There were more than 4,000 in 1928.

The National Cash Register Company, pioneers of systematic sales training, estimate that it costs from \$1,000 to \$1,500 to train a man, but they have proved that systematic training will increase a man's productivity anywhere from 40 per cent up—they are not satisfied unless a man's sales increase by at least this proportion after he has been trained according to their plan. Forty per cent! What would it mean to *your* company if you could increase the sales of even half the men on the force 40 per cent?

What does it cost to train a salesman? Most estimates vary from \$100 to (for high-priced specialty and technical equipment) \$1,500 per man. Some companies have found it advisable to make the salesman pay his own expenses during the training period, thus eliminating any who might not be thoroughly serious. Still others have been successful in getting the salesman to pay a fee for the training course. In most of these cases the fee charged does not cover anything but a fraction of the real cost, but its purpose is to make the salesman value the material given him.

**A**RMOUR & COMPANY invest an average of \$400 in each new man who completes their three-months' training course before going into the field. It costs an additional \$200 to carry the man until he establishes himself on a paying basis. As to the productivity of trained men versus untrained men one of

\*From Dartnell Report No. 258.

the officers of the company has this to say: "We selected a group of men who had been given our training course and who had been selling for two years or more. For comparison we took all of the salesmen from the same territories who had not been systematically trained. Although the first group had an average length of service of only three years as against over eight years for the second group, their profit per man was 10 per cent greater."

Many companies that have had success with training plans for their own salesmen have now inaugurated courses for their dealers and dealer salesmen. There is no question but that the retail salesperson is the neck of the sales bottle for hundreds and hundreds of concerns that sell through retail channels. Shortly after the inauguration of the Knox Hat Company's training course for retail dealers and their salesmen, H. C. Hoagland, advertising manager of the company, stated:

"From our experience, I am convinced that one of the most valuable things any manufacturer can do for his own business is to improve the selling ability of his retailers. He can accomplish this by increasing the average salesman's respect for his calling, then proving to him that his earning ability depends on what he knows about his business, and finally furnishing him with the means of acquiring practical knowledge. *Anything that tends to lift the retail salesman out of the waiter class will do wonders for retail distribution*, and there is no doubt that our course of instruction in hat selling has accomplished it in hundreds of instances."

The Knox course was made the feature of a convention of Knox and Dunlap retailers held in January, 1929. At this meeting most of the 1,000 courses which had been contracted for by the company were purchased by the dealers for their salespeople. A charge amounting to about half the actual cost of the course was levied for each entrant.

ONE of the outstanding examples of what can be done in sales building through concentration on the retail clerk as one of the most important factors in the sales plan is the record of the Western Company, Chicago, makers of Dr. West's toothpaste and toothbrushes. This company has been aggressively engaged for years in improving the salesmanship of the retail salespeople employed by its dealers, with, in the cases of several notable campaigns, results nothing short of startling. In a special campaign on toothbrushes conducted in 1924, this company sold more than 4,000,000 toothbrushes in a thirty-day drive. The care with which retail clerks were trained for this drive was, in large measure, responsible for its success. Among the training "tools" used were a booklet, "Tooth Brush Facts to Help You Sell," and a portfolio, "How to Sell More Tooth Brushes, and Why." In introducing the new Dr. West dentifrice in the spring and summer of 1929, 10,000,000 tubes of toothpaste were sold in five months. In connection with this campaign the company made an interesting experiment. They ran a 5,000-line newspaper campaign during one week, with a window display in the test store, and two good interior displays, but without a definite selling plan, and sales increased 30 per cent over normal. The following week, with the same window and interior displays, the same amount of advertising, and a definite plan of selling operated by the retail clerks, the same store showed an increase of more than 1,200 per cent over normal! This experience suggests directly that the lack of proper retail sales training is preventing many companies from cashing in, to the fullest extent, on their advertising investments.

DOUBT is sometimes expressed as to whether it pays to train men who have had some years of experience in selling a line—men who might be regarded as seasoned salesmen. SALES MANAGEMENT has data in its files which show that if such men can be "sold" the idea of taking a training course and really putting their hearts in it, their sales can be increased oftentimes by amazing proportions. On a later page of this supplement is reported the experience of an insurance company that increased the sales of old men nearly 50 per cent through training.

In carrying out a job of training, either with their own salesmen or with their dealers' and jobbers' men, most companies use a combination of two or more of the following methods:

1. Classroom type of instruction.
2. Experience working in the factory.
3. Sales manuals.
4. Portfolios.
5. Correspondence courses, systematically planned and carried out.
6. Regular sales bulletins of the fact, rather than the inspirational type.
7. Regular sales meetings.
8. Regional or annual conventions.
9. Sending new men into the field with seasoned men.
10. Sending new men into the field with a member of the executive staff.
11. The use of films, both silent and talkie, both still and movies.
12. Direct mail efforts of one kind or another.
13. House organs.

MOST of the successful training courses we hear about have been sponsored by companies marketing specialty products. The same methods can be used, however, with commodity products, and there are great unworked opportunities along this line. Even the simplest product can be glorified and made more interesting to the people who sell it.

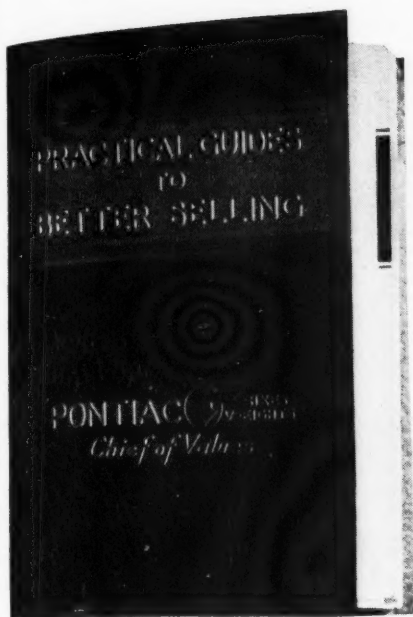
Perhaps your company is one whose budget will not permit the spending of any sum which will enable you to do a job like General Electric or Timken is doing. However, if you haven't a sales training plan, start *some* activity along this line, even if it consists of nothing more than weekly multigraphed sheets for the salesmen. Don't expect your men to produce under 1932 conditions without some plan which will feed them continuously with facts and selling ideas about your product.

If you can't do anything else, find out how your best men answer common buying objections and compile this information for the use of your whole sales force. Over long years of experience a leading sales training organization has found that with the exception of certain fundamental methods of procedure the salesman's problem is almost wholly one of overcoming objections.

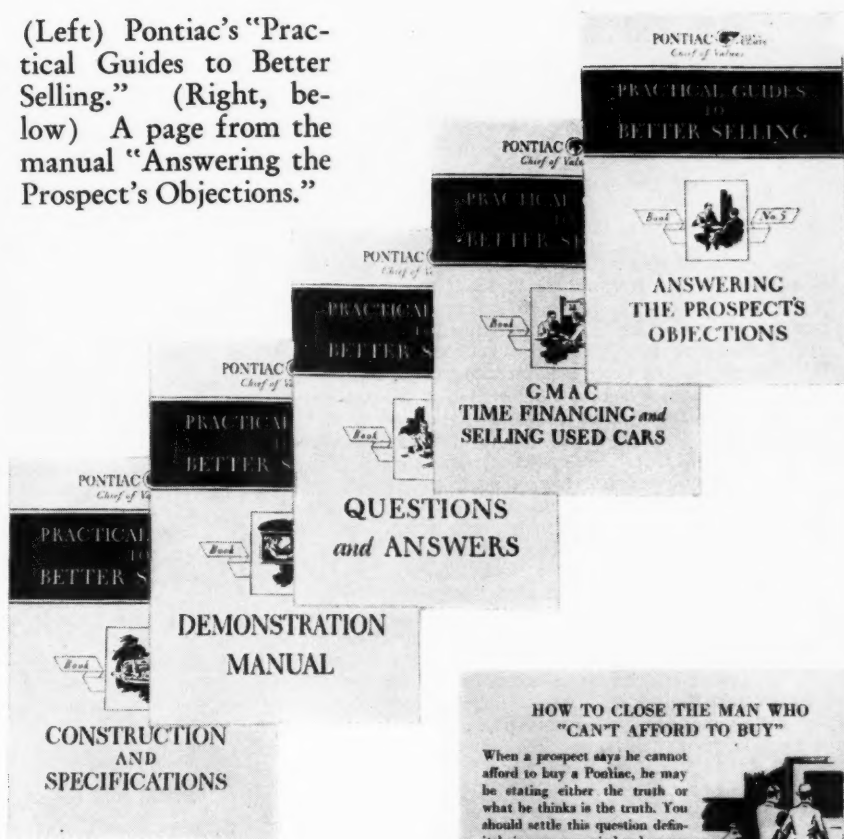
There is no denying the importance of careful selection in the hiring of salesmen. You must select men whose personality and background seem to fit your problem. For there is little you can do to change a man's basic personality. But—and the experience of the concerns that have been engaged in teaching salesmanship for some years proves it—almost any sales manager can, with the proper study of his problem, make tremendous strides in showing his men correct selling procedure and technique. *Good salesmen are not born, but trained.*

(In the following pages are described some typical sales training plans, together with facts and figures about the results they have achieved.)





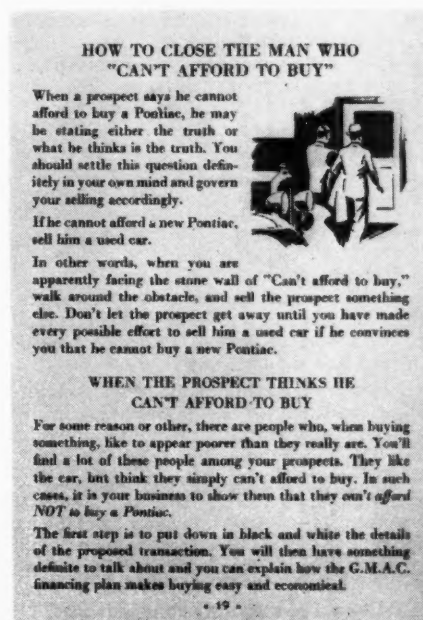
(Left) Pontiac's "Practical Guides to Better Selling." (Right, below) A page from the manual "Answering the Prospect's Objections."



(Right) A series of six pocket-size sales manuals (the sixth was still on the press at the time this material was prepared) forms the basis of all sales training work for Pontiac.

Any company that manufactures a specialty product will find ideas which can be adapted to their own use in Pontiac's well-rounded sales training plan. Details about the way this plan operates will be found on page 314.

(Below) About 9,000 men have taken the courses offered by the Goodyear Tire & Rubber Company for tire repair men. This typical group, after classroom study, will go into the company's garages and handle practical repair jobs.



## A Well-Rounded Sales Training Plan that Builds Crack Specialty Salesmen

(Oakland Motor Car Company)

General Motors, because of its belief that salesmanship is a profession as well as a business, has done a great deal of work along sales training lines. Here is the way it expresses the need for systematic training of salesmen, to dealers and prospective dealers:

"Before being able to take the necessary state examinations, doctors and lawyers are required to spend many years in study. For example, before a man can enter a medical school he must have completed four years in high school and four years in a college or university. He then spends four years in a medical school, following which he must serve as an interne in a hospital for at least one year—and, in many states, two years. This makes twelve years of study, and then, when he opens up his office, he begins to 'practice' medicine.

"In the same way, the lawyer starts out 'practicing' law after many years of study. These professional men admit that at first they are merely practicing. But in selling automobiles it is generally expected that the salesman should take a few pieces of literature, an order book, and then immediately make a living as a 'finished' salesman. The automobile business should profit by the experience of others and recognize the need for the proper education and training of salesmen.

"The automobile salesman must be trained for his work, and in the use of his sales helps. He must have the 'know how' for meeting prospects, talking to them, demonstrating to them, finding out their objections and in actually figuring transactions and in getting the prospect's name on the order."

From a survey of 15,000 sales, Oakland developed the following six rules which they consider basic to success:

1. Be a good talker second, and a good listener first.
2. Don't interrupt the customer.
3. Don't consciously or unconsciously get into an argumentative mood.
4. If a customer brings up an objection, state the objection to him in your own language.
5. Repeat again the customer's objection.
6. Close on one issue.

Below is an outline of the sales training course which Oakland makes available to dealers and their men (see also related information under Section IV, dealing with Oakland's compensation plan). It not only shows how to organize a series of training meetings, but indicates how the men are taught to use the various sales tools.

**First meeting—Products.** Show Sales Manager's Service Film on Pontiac cars. Read and explain booklet on "Pontiac Construction and Specifications."\*

**Second Meeting—Where and How to Find Prospects.** Examine salesmen on construction and specification of Pontiac cars. (Use Booklet "Questions and Answers."\*) Read and discuss "The Various Steps in a Sale" and "Where and How to Find Prospects." (Use first section of booklet, "Demonstration Manual."\*)

**Third meeting—Demonstrations.** Read and study Demonstration Manual. Salesmen should be required to know how to make an impressive salesroom demonstration and a satisfactory road demonstration over dealer's definite route.

**Fourth meeting—GMAC Time Financing and Selling Used Cars.** Examine salesmen on salesroom and road demonstrations. GMAC time financing: Discuss how to figure deal on GMAC. How to Use GMAC and A. P. D. in Selling a Pontiac. (Use booklet "GMAC Time Financing and Selling Used Cars."\*)

**Fifth meeting—Used Cars.** Discuss: taking in used cars right by selling value of new car first. Where and how to find used car prospects. Extra money from used car sales. Follow-up of used car prospects. (Use "Value Comparison" book and second section of "GMAC Time Financing and Selling Used Cars"\*) booklet.)

**Sixth meeting—Closing the Sale.** Examine salesmen on GMAC Time Financing and Used Cars. Make sales album presentation and discuss its use. Read and study booklet "Answering the Prospect's Objections."\*

**Seventh meeting—The Follow-up.** Explain use of prospect system and record of activity. Explain value and use of direct mail.

\*Belongs to series of six pocket-size manuals called "Practical Guides to Better Selling"—see illustration page 313.

This training course was prepared after a careful investigation and study of field problems and conditions. It was then submitted to a representative group of successful dealers and retail sales managers who reviewed it and recommended it for the general use of the organization.

The manuals entitled "Practical Guides to Better Selling," which are the basis of a large part of the classroom work, are beautifully condensed, simply presented books which give a salesman practically all he needs to know about the product, the policies behind it, terms of sale, and what constitutes good, standard, proved selling technique. The chapters in the manual on "Answering the Prospect's Objections" are headed: "Fundamentals of Selling," "What Is Your Big Obstacle?" "How to Close the Man Who Is 'Not Satisfied with Your Appraisal of His Car,'" "How to Close the Man Who Is 'Not Yet Ready to Buy,'" "How to Close the Man Who 'Can't Afford to Buy,'" "How to Close the Man Who 'Is Thinking of a Competitive Car,'" "How to Close the Man Who 'Has Mechanical Objections,'" "How to Use GMAC to Overcome Objections" and "Close the New Car Sale, Then Sell Approved Accessories."

The titles of the six books in the series are: "Construction and Specifications of Pontiac Cars," "Demonstration Manual," "Questions and Answers," "GMAC Time Financing and Selling Used Cars," "Answering the Prospect's Objections" and "Comparative Data on 1932 Cars." A series similarly planned and executed would be practical for any company that manufactures a specialty product. It can be made the basis of a simple training plan or an important factor in a more elaborate plan.

## Practical Correspondence Training that Results in Increased Sales Production

(Aetna Life Insurance Company)

Aetna has a course of thirty lessons, arranged in six groups, each group containing lessons on related lines of insurance or subjects. Persons applying for enrollment are allowed to enroll for the entire course, or for one or more groups. Students may take the groups in any order they desire. This plan enables an agent to select the lessons on the lines he believes should be studied first. This is stated by L. R. Ringer, Supervisor of Educational Extension, to be an improvement over the old plan whereby there was no group arrangement, and all students were given the lessons in the same order. Each time the lessons are reprinted, new material is added and additional illustrations or discussion included to clarify any points on which the students seem to be having difficulty.

"The most important recent improvement," Mr. Ringer says, "was adopted in August, 1931, and has been gradually introduced during the last four months of the year. This change concerns the type of questions used. Previously the student was required to give an explanation of the point or points involved in the question, and this usually necessitated his writing a paragraph or two to cover the points completely. The new questions can be answered very briefly—many of them with 'yes' or 'no.' In the case of rating problems, little could be done to reduce the amount of writing, but there are comparatively few problems. We do not use the new questions on seven of our thirty lessons. These seven deal with general insurance subjects, such as Insurance Advertising, Premium Collections, Safety Engineering and Aetna Plan Insurance Surveys. The material in these lessons cannot be covered very well with questions requiring such brief answers.

"Some of our new questions are the so-called 'true and false' form; others are direct questions. It was apparent that students were willing to study the material but, on account of the time required to write out answers, neglected to complete the work, and many of them lost interest in the course. It has been the almost unanimous opinion of students that the new questions are a big improvement over our former system.

"We can best indicate the results of this change by comparing the number of papers received during the last four months of 1931 with those submitted during the same period of 1930. During 1931 the four months' total was 5,589 and in 1930, 3,867. The total for January was 1,954, which broke the previous monthly record of 1,646 set in December. This compared with 1,284 for January, 1931.

"We now recommend to offices where a number of students are enrolled to conduct classes using the correspondence course material as a basis of study and class discussion. Several offices are trying out this plan and in most cases it is proving very satisfactory. The student has the benefit of oral instruction as well as the comments of our Home Office Educational Division staff on his answers.



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# SALES EXECUTIVES IN 1932

## FACE THESE MANAGEMENT PROBLEMS

There is probably a thoroughly practical compensation plan for our salesmen—What is it?

To what extent is the demand for our products really natural, and to what extent is it forced?

Where are the best new markets for our products?

What are the best sources for finding salesmen who are productive?

How can our salesmen be kept on their toes every day?

What are the true sales potentials by states and by counties, for our products?

What channels of distribution are the right ones for us? To what extent should they be exclusive?

Where can we trim, and how should we expand, our system of sales records and statistics?

Can or should the same salesmen sell different lines to the same trade—or to different trades?

What will be the influence on sales volume if we reduce our line; if we expand it?

Wherein are our sales costs different from those in comparable industries?

The facilities of the Barrington organization are regularly devoted to studying and helping sales executives to solve specific problems of this sort. Client concerns, ranging in size from those moderately small to the country's largest, have discovered the definite value of an experienced outside viewpoint as a cross-fire on sales factors.

## BARRINGTON ASSOCIATES

INCORPORATED

220 EAST 42ND STREET

NEW YORK

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## Outline of G. E.'s Salesmanship Course (Refrigerator Salesmen)

LESSON No. 1—History of Refrigeration

LESSON No. 2—Theory of Refrigeration

LESSON No. 3—Refrigeration by Ice and Requirements for Perfect Refrigeration

- (a) Action Cycle of Melting Ice
- (b) Ice Box Insulation
- (c) Scientific Discovery of Bacteria Effects
- (d) Proper Refrigeration

LESSON No. 4—Proper Preservation of Food and the Theory of Electric Refrigeration

- (a) Causes of Food Spoilage
- (b) Economic and Industrial Changes
- (c) Physical Laws underlying Refrigeration
- (d) Fundamental Principles of Electric Refrigeration
- (e) Liquid Refrigerants

LESSON No. 5—Mechanical Types of Conventional Machines

LESSON No. 6—The General Electric Company and Its Investigation of Refrigeration

- (a) Scope of the Company
- (b) Accomplishments and Creative Effects
- (c) Research Experience
- (d) Audiffren Machine
- (e) Development of the "General Electric" Refrigerator

LESSON No. 7—The General Electric Refrigerating Unit.

LESSON No. 8—The General Electric Refrigerator Cabinet

LESSON No. 9—(A) Reasons Why "General Electric":

- (a) Chose Sulphur-Dioxide for Refrigerant
- (b) Chose the Unique Evaporator Design
- (c) Chose the Air-Cooled Condenser
- (d) Chose the Oscillating Horizontal Cylinder Compressor
- (e) Chose the Float Valve
- (f) Chose the Force-Feed Oiling System

(B) Advantages of the "General Electric" Compared with Conventional Types

- (a) Elimination of Exposed Power Plant
- (b) Quiet
- (c) Advantages of Unit on Top
- (d) Economical
- (e) Portable
- (f) Packaged Goods
- (g) Require No Skilled Tradesmen for Installing
- (h) Sanitary
- (i) Simplicity
- (j) Direct-Indirect Expansion System

LESSON No. 10—Finding the Prospect and Planning the Sale

- (a) House-to-House Canvass
- (b) Utilizing the Value of Time
- (c) Getting a Mental Picture of Prospect
- (d) The Seller's Viewpoint
- (e) Getting the Buyer's Viewpoint
- (f) Aggressive Selling versus High-Pressure Selling

LESSON No. 11—Theory of Selling and the Actual Sale

LESSON No. 12—How to Handle a Prospect (Using the Retail Sales Presentation Book)

- (a) In the Home
- (b) On the Phone
- (c) At the Office
- (d) On the Display Room Floor
- (e) The "General Electric" Sales Presentation Book
- (f) Standard Sales Talk

LESSON No. 13—How to Meet Common Objections

LESSON No. 14—National and Local Advertising

LESSON No. 15—Helping the Prospect Decide on the Model

LESSON No. 16—A Few "Don'ts" for General Electric Refrigerator Salesmen

Because of lack of space, subheads under some of the divisions have been eliminated. The main heads, however, give an adequate idea of the subject matter covered.

"Our course has not been in operation sufficiently long for us to draw very definite conclusions as to what extent it benefits our agency organization as a whole. Our first students were graduated in 1929 and the majority of them were company employees engaged in underwriting. While the number of agents taking the course and completing it has materially increased in the past year or two, not enough time has elapsed for us to judge from production results what a producing agent derives from the course.

"The indications are that an agent completing the course does derive considerable benefit. We are citing below the production records of five agents who were among the first to complete the course. We cannot say that the increased business of these agents resulted from their taking our course. Other factors may have contributed to that end. We feel, however, that these agents are correct in giving much of the credit to the course for their increased production."

	Business produced during year previous to completion of course	Business produced during year of completion	Business produced during year following completion
Agent A ....	\$11,500	\$15,500	\$16,300
Agent B ....	6,750	10,450	11,860
Agent C ....	12,358	10,446	16,075
Agent D ....	35,320	41,510	42,030
Agent E ....	19,770	16,650	19,900

## When the Service Man Is a Cog in the Sales Machine—Goodyear's Continuous School

(Goodyear Tire & Rubber Company)

Goodyear maintains a continuous school at the factory for tire repair men, and similar schools in Gadsden, Ala., Los Angeles, Chicago, Dallas, Kansas City, Minneapolis and Philadelphia. The courses are available to either inexperienced or experienced tire repair men. There is a four weeks' course of instruction for the former, with two additional weeks on truck tires, and shorter courses for experienced men.

These schools are operated like service stations, in that the student gets training on actual cars and trucks used by Goodyear. Practical training in service station management, care and operation of the latest equipment, and methods of tire repairing from the small passenger car sizes to truck and bus balloons is included in the course. While the facilities of the schools were primarily for Goodyear tire dealers and their employees, some time ago the policy was changed and they are now available for all dealers or their employees who are interested in learning the proper method of repairing passenger and truck tires. About 9,000 men have taken the courses in the fifteen years they have been in operation.

## Raising the Efficiency of the Retail Dealer and His Salespeople

(Sparks-Withington Company)

The Sparks-Withington Company, Jackson, Michigan, makers of Sparton radios, have a well-rounded, new training plan which is designed to help the retail dealer become a better merchant and at the same time to give him a complete plan for training his salespeople. Sparton combines "The Sparton Manual of Retail Salesmanship," in six parts, ("Demonstrating Performance," "Explaining Value," "Overcoming Sales Obstacles," "Closing Sales," "Reaching Out for More Sales" and "Making Outside Sales") with a plan for a series of six sales meetings which are based on the material in those divisions.

In addition, there is a new sales portfolio for the use of the retail salesman. This portfolio contains information on why modern radio is an essential to the home, what modern broadcasting brings to the home, how to select a satisfactory set, how to judge the quality of tubes, etc., and it is so illustrated and so prepared that it can be used for either outside or floor selling. Like other well-designed portfolios, it acts as a guide to a well-rounded sales presentation, and is helpful in getting the prospect to listen to a complete story. To back up these training methods there is a handbook on retail sales management for the dealer's use, entitled "Sales Managing the Radio Store," which outlines the most successful plans in use by radio dealers all over the country. It covers:

1. PLANNING FOR MORE SALES: How successful dealers are adapting their methods to meet present-day conditions and trends.
2. ESTABLISHING SOUND MERCHANDISING POLICIES: How pro-



# Tested Sales Training—

## Specially Built to Fit Your Company's Needs

Some of the corporations utilizing the unique training resources and ability of LaSalle — developed through twenty-four years' experience in training more than three-quarters of a million men on the job—to increase their own sales and profits.

Chrysler Corporation  
Standard Oil Company of Ohio  
Edison General Electric Appliance Co.  
Wadhams Oil Company  
Dodge Brothers Corporation  
DeSoto Motor Corporation  
Tidewater Oil Company  
Plymouth Motor Corporation  
Dodge Trucks  
Cities Service Company  
Great American Tea Company  
Shell Petroleum Corporation



"Because LaSalle has such a distinguished record of achievement in the educational field; because more particularly it has been outstandingly successful in qualifying salesmen as maximum producers; in a word, because it leads all other training institutions in facilities, in experience, and in results in training salesmen for their work, at their work; because of these facts, Chrysler Sales Corporation selected LaSalle Corporation Service to train its salesmen in the technique of Chrysler salesmanship."

—Chrysler Salescraft.

—a number of America's largest corporations—such as Shell Petroleum, Standard Oil of Ohio, Chrysler and Edison General Electric Appliance Company—have retained the Corporation Service Division of LaSalle to prepare for their salesmen specially constructed training, built around their particular products and covering the individual requirements of company and men.

—results have been so gratifying—so unusual—that every client has enrolled more men than originally planned—several as many as nine or ten times the initial number. And in four cases out of every five, renewal contracts have been effected and added training courses—for new products, for subsidiary companies or for different groups of employees—have become part of a continuous program.

—the details of what has been produced for these outstanding concerns—the increased sales by the men trained—the many dollars of traceable profits for every penny invested—these things are well worth knowing.

—in this special service, these companies have found a solution to the big problem of the day—that of producing substantial sales increases at very nominal costs.

—an inquiry will place you under no obligation and the answer will bring you a mighty interesting presentation of facts and figures and ways and means of increasing your sales without the usual large financial risk.

—even if further action is not taken, the information will well repay the time and trouble it takes to send for it.  
Address—

# LaSalle Corporation Service

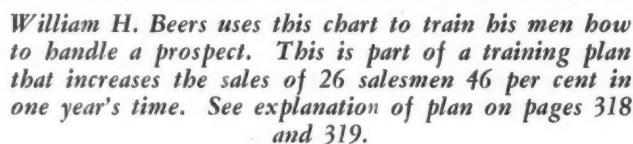
A division of

LaSALLE EXTENSION UNIVERSITY

Chicago

Illinois

The course is being sold to dealers for a fee of \$8 for the dealer himself, and \$5 for each employee. These fees include copies of the manuals, portfolios, handbooks, meeting guides, etc.



(Timken Silent Automatic Company)

On the eight-day initial training period the salesmen cover the following:

*Fifth day:* Make cold canvass tour with supervisor, with discussion afterwards of experiences.

*Eighth day:* Learn the use of the portfolio demonstration.  
Inspect an installation in a home.

"Here is more proof of its effectiveness: Our men are employed on straight commission,\* only 75 per cent of which is paid them at the time the order is signed. The other goes into a reserve fund against cancellations and other contingencies. On November 1, 1931, our 496 salesmen had a reserve fund totaling \$52,000 and only six of them were in the red with us. These six out of 496 had a deficit totaling \$202, or about \$35 each, due chiefly to cancellations."

(New England Mutual Life Insurance Company,  
William H. Beers General Agency, New York City)

The training course has been built up by William H. Beers in cooperation with C. Preston Dawson, his production manager.

\*For further details of this plan see Section IV. The training plan described above will be discussed in greater detail in an early issue of SALES MANAGEMENT by Mr. Walsh. For other details of the sales plan through which Timken achieved a 56 per cent increase in sales during 1930, see article "More Elbow Grease, More Shoe Leather, More Advertising," SM March 28, 1931.

\*\*\*Based on best available figures for industry.



**COMPARATIVE SALES PRODUCTION BEFORE AND AFTER SALES TRAINING OF BEERS SALES STAFF**  
Comparative record of 26 Full Time Agents who were with the Agency in 1927 and who produced \$150,000 or more of business during the year 1928.

AGENT	1927		1928		1929		1930	
	Apps.	Paid-For	Apps.	Paid-For	Apps.	Paid-For	Apps.	Paid-For
Salesman A.....	24	\$120,000	28.5	\$432,000	22	\$238,500	25.5	\$125,500
Salesman B.....	37	297,500	57	648,500	46.8	616,000	65.5	671,000
Salesman C.....	69.5	279,500	53.7	416,000	50.5	398,500	47.5	513,500
Salesman D.....	36	178,500	42	257,500	33.5	198,500	35	411,300
Salesman E.....	41	278,500	48.5	229,500	39.5	133,500	48	205,500
Salesman F.....	160	619,500	157.5	858,100	170.5	1,107,200	117	1,000,800
Salesman G.....	94	1,087,300	77	1,599,800	47	1,416,000	28	1,643,000
Salesman H.....	38	204,500	31	329,400	20	172,100	25	112,300
Salesman I.....	29	142,500	46.5	220,000	41.5	243,500	44.5	215,200
Salesman J.....	37	239,500	39	565,000	49.5	421,000	47.3	295,000
Salesman K.....	76.5	221,500	113.7	442,800	84.5	553,500	70.5	455,500
Salesman L.....	61	299,500	63.5	414,500	54	208,000	57	316,700
Salesman M.....	37	154,000	44	171,000	31.5	159,500	33	273,500
Salesman N.....	44.5	278,500	63	402,100	70	651,000	43	543,700
Salesman O.....	78.5	264,100	62	298,500	53	317,500	38.2	180,200
Salesman P.....	51	388,100	59	478,300	49	759,000	54	604,300
Salesman Q.....	54	444,000	31	438,000	22.5	273,500	23	259,000
Salesman R.....	27	129,000	18.5	386,500	27.5	375,500	26	175,200
Salesman S.....	24	114,500	20	173,000	17.5	113,500	22	109,000
Salesman T.....	26	254,000	22	201,500	34	219,500	35.5	149,500
Salesman U.....	44	130,000	43.5	151,500	34	140,500	44	133,700
Salesman V.....	20	131,000	32	221,500	26	222,500	26	140,500
Salesman W.....	70	319,500	76	498,000	75.5	570,500	79.5	500,000
Salesman X.....	37	316,000	21	237,000	16	102,500	18.5	154,000
Salesman Y.....	31	133,000	17	257,500	21	132,500	20	287,200
Salesman Z.....	11	141,000	16.5	237,200	15	108,500	11	299,500
Totals.....	1258	7,052,400	1283.4	10,564,700	1150.8	9,852,300	1084.5	9,774,600
Average per man.....	48.4	271,245	49.4	406,330	44.2	378,923	41.7	375,919
% Increase in paid-for over 1927.....				49%		40%		39%
Gains and Losses.....				22 G. 4 L.		17 G. 9 L.		19 G. 7 L.
Average Sale.....		5,606		8,232		8,561		9,013
% Increase in average sale over 1927.....				46%		53%		61%

**SUMMARY OF NEWLY CREATED BUSINESS**

	1928	1929	1930	Total for 3 Years
Increase of 26 old men over 1927.....	3,512,300	2,799,900	2,722,200	9,034,400
Men appointed by Beers & DeLong in 1928-1929-1930..	3,059,500	8,149,800	7,983,200	19,192,500
Total.....	6,571,800	10,949,700	10,705,400	28,226,900

The 15 full time men appointed by B. & D. in 1928, 1929, and 1930, who produced \$150,000 or more in 1930, averaged 35 apps. for \$407,113 each, with an average sale of \$11,773.

It is the result of nine schools conducted by Mr. Beers and Mr. Dawson at the Beers & DeLong agency.

The training course given these salesmen covers a period of three weeks. One week is devoted to facts, information, etc., about the company and insurance in general. Three hours daily are taken up with class work and five or six hours with study; the salesman is given a questionnaire each night with as many as fifty or seventy-five questions to answer. As a result, at the end of the first week he should be able to answer any ordinary question given him on the subject of insurance. The first part of the second week is given over to instruction on what life insurance does. Following that, a week and a half is given to building up a presentation with an elaboration of the methods of closing. The salesman must build up a presentation in his own language and with his own ideas at least three different times, so that the principle of the Beers method becomes a part of him. This training is repeated six months later, when advanced work is added.

The training proper is divided into a carefully outlined program for an eight-volume course. The first section or book is to acquire the right habits of prospecting; second, to master the essential details; third, to learn what life insurance will do; fourth, to master organized action in the selling process on the basis of Beers' process; fifth, to build a "package" or unit presentation; sixth, get into production; seventh, acquire advanced selling ideas and plans; eighth, build advanced presentations.

The technique of handling the prospect is worked out in the form of the chart called "The Organized Action in the Selling Process." (See page 318). It is based on the fact that the prospect's mind operates as a pendulum, and that his changes of attitude are normal and inevitable. In other words, the prospect is a vacillating mind and, in the period of an interview, averaging forty-five minutes in length, the salesman must so arrange his close as to catch the prospect at the right time. Thus, the salesman, if he is a cub, first attempts to establish interest and confidence. He does this by demonstrating his own ability, that he is a man who knows life insurance. Further, he takes from a small leather kit a blueprint showing a typical chart of what

insurance is and does, emphasizing the fact that life insurance is a form of desirable property. Having done that, he explains what the product will do in a general way. At this point he is ready to ask the prospect for information he needs to have in order to make a sound proposal. If, after having received this information, he is able to decide on the type of insurance which best fits the need of the prospect, he is ready to go ahead with his canvass. If the case is a special one and needs more thought as to the correct plan, the salesman is instructed to terminate the interview and go back to the office to work out his plan.

If, however, the program is obvious, the salesman specifically explains a plan and outlines a program for the consideration of the prospect, showing him what a specific type of insurance will do for him. At this point he is usually ready to determine the prospect's primary interests and, on the basis of this primary interest, readjusts his insurance plan. In other words, the salesman has left the stage of canvass, which could be headed "desire created," and is on the fifth step of augmenting the prospect's confidence. The salesman shows the prospect why he should do business with the company he represents. Having done this, he shows that users are satisfied. This is done to overcome the prospect's negative attitude. The prospect is now again in the favorable attitude swing. The salesman then reviews his proposition, emphasizing the primary interest the prospect himself has revealed and uses a reserved reason, if necessary, in an effort to close. If the prospect is not closed at this point, the salesman goes further; eliminating fear, and changing his approach, shows the prospect an easier financial plan. Here again he tries for action. If the action fails, he makes his terms more convenient, adjusting first-year deposits and showing the factor of safety in future years. At the end of this he tries again for agreement on details. If, on this attempt to close, the prospect does not agree, he shows the prospect the advantages of immediate action—such as the savings in rates and reduced benefits caused by delay. If this does not succeed, he attempts his final plea of getting the prospect to act without obligation, such as taking a physical examination anyway. If the prospect does this, the salesman at least has the opportunity to tackle him again.

# Leading Sales Training Films of the Year

## Buick Motor Company

"Sales Mates"—produced for the Buick Motor Company, by Jam Handy Picture Service, Inc. This talking picture presents the 1932 Buick to the dealers. It includes talks by the president, chief engineer, sales manager and sales promotion manager, telling how to sell the new car. It is shown by the dealers at meetings all over the country, in theatres and hotels.

## Cluett, Peabody & Company, Inc.

"Points to Profits"—produced for Cluett, Peabody & Company, Inc., by Caravel Films, Inc. This three-reel silent picture was designed to accomplish two sales problems: (1) To sell the sanforizing process of Arrow shirts and Arrow collars and (2) to show retail sales people the best and most successful methods of selling shirts; the reasons why they should tie in with Cluett Peabody advertising; the technique for increasing the unit sales and using sanforizing as a sales building argument. Thirty-two Cluett Peabody branch managers are arranging showings of the films—to executives of retail stores first, and then a second showing to the clerks of these stores.

## Coca-Cola Company

"Soda Fountain Service"—produced for the Coca-Cola Company by Jam Handy Picture Service, Inc. This talking picture gives information on the profitable operation of soda fountains and is shown by Coca-Cola representatives at dealer meetings.

## Frigidaire Corporation

"Cold Cash"—produced for the Frigidaire Corporation, by Jam Handy Picture Service, Inc. This talking film introduces a new selling plan to the salesmen. Fifty showings of the picture were made at Frigidaire dealer meetings throughout the United States, in theatres and hotels.

## Goodyear Tire & Rubber Company, Inc.

"Every Third Wheel"—produced for the Goodyear Tire & Rubber Company, by Jam Handy Picture Service, Inc. This covers: the keynote for the current sales activity; instructions on how tires are made; an appreciation of the world-wide resources of Goodyear; facts about Goodyear leadership; important points on good and bad dealer operation; promotion of standard selling procedure, demonstration equipment and booklets on dealer operation; and, finally, a presentation of the mid-summer sales contest idea. This talking picture was shown at 165 points in the United States to Goodyear dealers.

## International Association of Milk Dealers

"Milk, Men and Money"—produced for the International Association of Milk Dealers, by Caravel Films, Inc. This three-reel silent picture attempts to show the route man of a milk company that his job is not purely one of delivery. He sees in this film, point by point, the steps he should take to avoid discontinue notices, increase the consumption of milk and build up his route. Prints were used by member companies of the International Association of Milk Dealers. Along with each print went a complete and precise meeting manual to be used with the picture.

## National Lead Company

"One Painter to Another"—produced for the National Lead Company by Caravel Films, Inc. This three-reel silent picture is a follow-up of "A Painter and His Profits"—a three-reel silent picture, which attempted to show master painters the six steps found most successful in building a profitable paint business.

"One Painter to Another" explains and sells the master painter the newly developed "Never-Fail Plan" of the National Lead Company. This plan uses direct mail to pave the way for the painter selling to the consumer. For the actual personal calls on the consumer, the National Lead company supplies the painter with sales kits and other sales ideas. The picture explains this plan fully and attempts to dramatize the results of it. It is shown at dealer meetings.

## Perfect Circle Company

Perfect Circle Company, manufacturers of Perfect Circle piston rings, produced this year another film, entitled, "Endless Channels," made for them by Wilding Picture Productions, Inc. This

film follows the film made in 1930, entitled, "Magic Circle," which was used by the company's salesmen, each equipped with a portable talking picture outfit. There are twenty-one outfits of this kind in the United States and one in Canada. Approximately 1,200 "Magic Circle" meetings have been held, and the film has been shown to approximately 75,000 people, most of whom are directly interested in automotive repairs.

Lothair Teetor, vice-president in charge of sales, says that: "Time and again our men have been able to sell accounts by the use of this picture that they were unable to sell the 'verbal way,' and they seldom give a show that orders are not directly traceable to the interest created."

## Procter & Gamble Company

"The Music of Prosperity"—produced for the Procter & Gamble Company, by Visugraphic Pictures, Inc. This picture was shown in each state at sales conferences conducted by the company's officials for the sales staff in each district. Shows in action and dialogue some every-day experiences of a typical P & G salesman, his efforts, methods and results during the regular routine of calling upon various types and kinds of dealers. The story brings out the value of the company's advertising, radio and sampling, and the importance of the salesman's efforts in helping the dealers move their stock.

## Standard Brands, Inc.

"Food for Thought"—produced by Standard Brands, Inc., for showings to bakers and grocers. This eight-reel, all-talking film shows the dealer how to sell by indirection. It tells the success story of a baker in contrast to the failure of his friend the grocer, until the grocer lets Standard Brands help him toward better merchandising.

## Standard Oil Company of Ohio

"The Why of The Knock," "Tell the Public," "More Gallons Per Pump," "Sohio Motor Oil," "Friction"—16mm. films produced for the Standard Oil Company of Ohio, by Wilding Picture Productions, Inc. These talks are used for employee training and distributed direct to service stations.

## United States Rubber Company

"Pros, Players and Profits"—produced for the United States Rubber Company, by Visugraphic Pictures, Inc. This talking picture presents the story of golf as a business—the pro's competition with retail sporting goods stores, and how he can meet it in his own shop and win out with modern business methods and modern sales tactics.

## Ward Baking Company

"Better Sales, Less Stales"—produced for the Ward Baking Company by Caravel Films, Inc. This talking picture is used by Ward branch managers in meetings attended by driver salesmen. The picture shows the best methods of selling bread and cake, and, second, how the driver salesman should sell the dealer on the Ward advertising campaign.

(To any manufacturers especially interested in the subject of sales training and sales films, SALES MANAGEMENT'S Readers' Service Bureau will send without charge a bibliography of all articles which have appeared on this subject during the past 18 months, together with lists of sources of supply for films, projectors, etc.)

## How to Develop and Apply a Standard Sales Presentation

In 1929 SALES MANAGEMENT presented a series of three articles on "How to Plan and Use a Standard Sales Presentation." These articles were based on an original research conducted at that time by R. C. Hay, and they still represent the most complete and authentic material to be found on that subject anywhere in the annals of business literature. There is, therefore, no attempt being made to present additional material on this subject in this special supplement. Mr. Hay's articles were based on information furnished by major executives in such companies as National Cash Register Company, Studebaker Corporation, Felt & Tarrant, American Radiator and Standard Sanitary Corporation, Frigidaire Corporation, Copeland Sales Company, Hudson Motor Car Company, Dictaphone Sales Corporation and Estate Stove Company. Any company executive who is interested in the subject of standard sales presentation is urged to refer to these articles. They appeared in the issues of September 21, October 19 and December 7, 1929. Photostats can be furnished by the publishers of SALES MANAGEMENT at 20 cents a page.



## Section III.

# Equipping and Stimulating Salesmen

"In presenting . . . a proposition . . . regardless of the item, it is not strictly conversation from you that is going to put it over . . . if you are a dealer and I am a salesman, I can impress you ten times as rapidly by spreading the stuff around on your desk that I can by just talking glibly to you with nothing to show . . . every prospect must get the same story. So that story is put in book form with specific instructions—and there it is: a definite scheme, a definite plan."—A. L. McCarthy, vice-president, Eureka Vacuum Cleaner Company, Detroit, in an address before the Sales Executives' Conference, St. Louis.

IN an article printed in SALES MANAGEMENT in March, 1931, E. V. Walsh, general sales manager, The Timken Silent Automatic Company, explained how his company had increased sales during 1930, 56 per cent over the volume done in 1929. When it is considered that sales of 65 manufacturers of oil burners in 1930 showed an increase of approximately 2 per cent for that period over 1929, the figure becomes all the more significant.

Mr. Walsh explained his company's sales record under five main headings. One of them was "More and better sales helps."

Quoting from the article: "While Timken-Detroit has provided sales helps almost from the beginning . . . it was not until last year that they got a complete set of sales helps all worked out to their satisfaction, properly organized and properly presented. Now they feel that they have a help for every need and that these helps actually meet every contingency . . . they are the cream of five years of successful oil burner merchandising in Timken factory branches. All the information necessary to insure success in selling Timken oil burners and managing an oil burner organization is presented in these selling guides."

These sales helps include manuals for dealers and salesmen, a standardized sales approach, a manual of telephone selling, a directory of cold-canvass telephone work, sales-room literature designed for various classifications of prospects, direct mail campaigns, and a form for making a "Heating Survey." (Various of these helps are described under Section II in an account of Timken's sales training plan.)

HERE is an outstanding example of the way intelligent sales helps were built into the marketing plan as an integral and important factor, in a sales set-up which was strong enough to pull the company sponsoring it out far ahead of all competitors under the difficult market conditions of a depression year. The value of such helps is recognized by all leading aggressive concerns marketing high-priced specialties—a field where selling has to be intelligent and effective or there is no survival.

One or more of such sales helps are a part of every marketing plan that has a highly refined and efficiently developed type of salesmanship operative in the field. Perhaps the most important among all sales aids is the sales manual—or some variation of it. It is difficult to imagine why so many companies are still attempting to keep their heads above water in the present market without making available to salesmen all the compiled and collated data about the product and its application, which the com-

pany's years of experience have brought to light. *A salesman without such equipment is hopelessly outclassed in competition with another salesman who has facts, figures, charts, tested methods for answering objections.*

Portfolio presentations have been used recently, with telling effect, by such companies as Pabst Corporation, Ditto, Inc., Electrol, and Scripps-Howard. These presentations are designed to maintain a buyer's interest through a relatively long sales talk, and to make a double impression through eye and ear appeal. They are especially helpful in selling any product or service where the sales story is ramified and complicated.

Sales films, both slides and moving pictures, both silent and talkie, are in rising favor and are being employed on a wider and wider scale. Advertising portfolios vary from a simple book of pasted up sheets of advertisements to elaborate presentations which relate the advertising to the sales plan and show what type of sales work is needed to cash in on such advertising. The sample and the "cut out sample" or unit-part of a larger machine, carried by the salesman and shown to the buyer, are as effective as ever. Some industrial concerns have had excellent success with a "toy" model of their machine or piece of equipment. Charts, maps, photographs—there is a great variety of tools available to the sales executive who is anxious to get his salesmen into the presence of more buyers, and to get his story across the desk after the man is received.

IT is difficult to set any finite value upon any specific sales tool in use. Obviously, the effectiveness of any division of a selling plan most often depends upon its close correlation with other factors in the plan so that the marketing machine is working harmoniously to a definite goal. For the most part we must rely, for such appraisal, upon the opinion of the sales manager who had to foot the bill, and who had to report to the board of directors with the year's balance sheets. Says J. M. Cheney, vice-president in charge of sales of Ditto, Inc., of a portfolio presentation developed by his company: "One of the most effective sales tools ever developed by Ditto, Inc., is a visual sales presentation in the form of a portfolio entitled 'Getting Things Done'. Introduced for the first time early in 1929, this presentation played an important part in producing the 40 per cent sales increase in machine sales which we enjoyed that year, and all our salesmen are still using it and finding it extremely helpful. . . . Its possibilities (notwithstanding the fact that it has now been in use for nearly two years and consequently has been made to the majority of our better prospects) are not nearly exhausted."

Six months after a large public utility investment house had introduced its first real sales manual, the company sent out questionnaires to all branch managers asking their opinion as to the value of the tool. Typical of the replies received was this one: "The use of the kit makes the selling of securities like selling a tangible article—something that we can demonstrate. All of the men here have mentioned how much easier it is to sell with the use of the kit."

An incredibly simple idea for a pencil presentation, which required nothing more than a pad of 10 sheets and a red pencil, was called by William E. Bomar, sales manager,

Frederick Stearns & Company, "the most effective sales presentation Astring-O-Sol salesmen have ever used." A dime's worth of such equipment is enough to last a salesman several days. Many of the most productive ideas are simple, requiring little investment. But there must be a good *idea* to begin with, and a *plan* for working it, and a *means for demonstrating* to the salesmen its actual effectiveness.

**T**HE Judson Bradway Company, real estate concern of Detroit, has several times won the prize at the annual meeting of the National Association of Real Estate Boards, for the fine sales kits developed for the use of its men. Of one of these kits an officer of the company said, "Before adopting this kit the company employed a sales force of 150 salesmen. Now they employ only 25 and are doing a far greater business, not only in volume but also in profits, at a much smaller selling expense. This growth can be traced partially to the influence of the new kit and the change in sales policies involved."

When Chevrolet introduced a pocket size sales manual, the first 5,000 were snapped up by salesmen and dealers before they were off the press. A second edition of 9,500 went just as quickly. Alert to every possible plan for making their work more effective, the pace-setters among the Chevrolet men quickly recognized the value of the book.

Even the simplest ideas for giving the salesmen something to *show*, something besides wordage to intrigue the buyer, have brought unusual results to the firms sponsoring them. Some years ago a hardware specialty manufacturer who made a product that weighed approximately ten pounds enormously increased his sales by sheathing the product in an attractive leather carrying case and inducing several thousand jobbers' salesmen to carry one.

For the sales executive who is wondering whether films pay their way, there is boundless evidence. A simple explanation of why films are effective in selling is given by one of the executives of Barber-Greene: "Many times the salesmen have been able to obtain interviews by using the 'movies' as an introduction when otherwise the prospects would have claimed he was too busy or that he was not interested." Are there any arguments salesmen in all lines hear more frequently than those?

**F**OR group selling films are superb. In one day a Fyre-Freez salesman demonstrated his product to more than 200 executives of the Westinghouse organization. In one day this salesman, with the aid of a film and a projector, was able to accomplish a demonstration job, that if performed for one executive at a time, through an actual demonstration of the product, would have taken approximately a month and a half.

Salesmen will need closer supervision in 1932, and closer contact with the home office. The editors of SALES MANAGEMENT pointed out not so long ago in an editorial that, without a fountainhead of courage in the home office and without close executive contact and constant helpful direction from the top, no force of salesmen in the world will come through times like these without losing heart. Wherever you find a courageous salesman these days, you can find behind him a sales manager or a president (or both) who is drawing on every resource at his command to keep his men in a *positive, offensive frame of mind*.

You'll need more sales meetings in 1932—in small groups, if possible, where the men can exchange experiences in answering objections, where they can tell the stories of the best sale of the week. You'll need a more

factual type of sales bulletin this year—something that will constantly supply new sales ammunition. You'll probably need to appeal to their sporting instincts with one or more contests with prizes offered which are big enough to draw out latent sales ability. If contests have heretofore failed with you, there is probably some important fault in your planning or management of them. They produce regularly and bounteously for such companies as Edison Lamp Works, Frigidaire, Addressograph, E. R. Squibb & Son, and other concerns that are among the leaders in their fields.

If your men are consistently falling down in the face of present market conditions, check over their sales tools. Supply a new and up-to-date manual—or, at least, send out at regular intervals new sheets for the old manual. Plan something fresh and new and vivid in the way of a graphic sales story—whether it is a portfolio, film, or merely a collection of photographs. Then sell it to the men with enthusiasm to insure its being used. Give them something as an antidote for the "depression blues"—there's plenty of good news, and there's plenty of buying being done. But *don't* send them into the 1932 sales battle downhearted and unarmed.

## A Bulletin that Handles the Problem of "Depressionitis" among Salesmen

(Continental Car-Na-Var Corporation)

Mr. D. E. Smalley, general manager, Continental Car-Na-Var, is the originator of this unusually fine bulletin to the sales force, directed particularly to the men who have become discouraged:

"Dear Salesmen:

"Practically all authorities tell us we are on the way out of the long period of financial depression. Let us hope they are right, but while the depression lasts we should know how to cope with it.

"It has been said by those who know that the depression is more psychological than actual. This is easy to believe, since the world is perhaps more bountifully supplied with the necessities of life than ever before. There is an abundance of all of the essentials of life—only money, the means for buying, is inadequate, and this shortage of money has come about by hoarding from fear.

"I am looking at the situation from the standpoint of the buyer. We are buying more conservatively than formerly, but we are buying what we need and we are at all times interested in anything which will give us better results or save us money.

"Nevertheless, there has never been a time in my twenty-odd years of buying that I did not consciously or unconsciously resent the arrival of a salesman. It is generally admitted by buyers that this feeling is characteristic of their class. Salesmen come when I do not expect them, when I am busy, and when I feel I do not need them. Besides, they bring a challenge to my judgment which, if they win, means paying out the money for which I am responsible. This is a condition that has always existed—it is not by any means a product of the depression.

"Now comes the depression. I am still buying practically as much as ever, though I am a little more alert to save money when I can. I am just as busy as ever, and I still resent the salesman's challenge. But I have found the salesman changed. The old spirit has gone out of his challenge. It is a time of depression—everybody is supposed to be hard-up. I can tell by the salesman's attitude that he does not expect me to buy. The shadow of the depression is on him and it reminds me that times are indeed hard just now, coupled with the fact that I am too busy to be bothered; I must be careful. And besides I am reminded of a never-failing alibi—the depression. It never fails to do the work. In all of my buying experience I have never seen it so easy to get rid of a salesman. It has come to the place now where any kind of an excuse will do the trick. The salesman apologizes, picks up his grip and goes his melancholy way. He is not even disappointed.

"Now this is all inside information and I'm putting it out



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(Right) How Scripps - Howard salesmen get big buyers and boards of directors to listen attentively to a long, and rather complicated, sales story.

(Below) Marsh Wall Tile salesmen find that this attractive sample case lessens resistance in closing.



Photo Courtesy Elbe File & Binder Co.



Photo Courtesy Knickerbocker Case Company

(Right) This portfolio presentation of Electrol, Inc., is fashioned to provide an effective answer to all standard objections—and to furnish half a dozen different points where the salesman can close. (Below) The Premier man's pocket-size kit holds all the materials necessary for a complete demonstration, plus a group of selected sales helps.

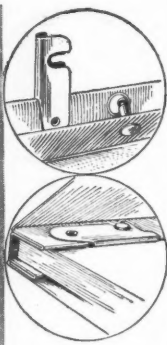
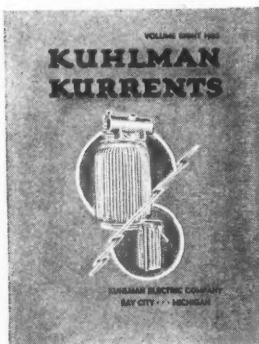


Effective sales tools need not be expensive — (below) Premier's pocket-size kit.



# "SALES TOOLS" that increase the efficiency of your salesmen

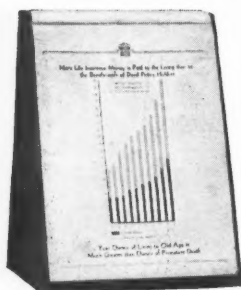
IN difficult times like these your salesmen are in greater need of better "tools" than ever before. That is why we commend the following to your consideration.



THE "Kliplok" binder makes it easy to keep a loose-leaf catalog or sales manual up to date—its operation is so extremely simple and quick. Attractive "Kliplok" binders are made from inexpensive papers, fabricoid and finest leathers. Prices are surprisingly low.



THIS binder is provided with an easel so that it can be set up as shown. It may also be used as an ordinary binder because the easel buttons against the back cover. This easel-binder is compact, neat, convenient and inexpensive.



THE Pyramid Sales Portfolio makes the most of the fact that the "eye" is a more important buying factor than the "ear". A convincing presentation is assured because it prevents the salesman overlooking important selling arguments.

WRITE for prices, literature and samples of the "selling" binders illustrated here.

**MICHIGAN  
BOOK BINDING CO.**  
1036 Beaubien St. Detroit, Michigan

just to our own men. Don't tip it off to men trying to sell me or I might overbuy. But now that you know the buyer's secret, make use of it. Look prosperous and by all means look happy. Don't mention the depression, and if the buyer does, look surprised. Tell him our business has been showing a steady increase and if you read the papers you can point out other concerns now showing gains. Insist upon showing how you can save him money and give him better results. If he is really hard-up, it is more necessary than ever that he hear your story.

"This is a buyer's viewpoint, boys. Maybe it will help."

## A Two-in-One Sample Case that Lends a Quality Air to a Quality Line

(Corry Metal Corporation)

The Corry Metal Corporation manufactures a line of rewirable wood and metal screens—products which are difficult to display in an attractive way. Furthermore, it is difficult for a salesman to carry samples of such a line without heavy spoilage of such samples and without awkward handling problems in packing and unpacking. A sample case which has solved these problems for Corry is pictured on page 329. It is a two-in-one arrangement, whereby the salesman can remove a folding insert from the bigger case and use what is really a smaller sample case.

"The removable insert can be carried separately," points out an officer of the company, "when a salesman is making a first call, or doing cold canvassing. He is not burdened with a heavy sample case, resulting in fatigue, and therefore can interview a great number of prospects in a given time. The salesman displays part of his wares, holding several 'aces' up his sleeve for a later interview or appointment with a full line as displayed in the complete case. In other words, the smaller insert case acts as an entrée with less resistance from the prospect."

The company points out that when there is a space for each unit in the case salesmen are less likely to forget samples, and there is a minimum of expense incurred in replacement or repair of samples. Another extremely important virtue of such a piece of equipment is thus defined by the company: "When a manufacturer produces a quality line such as ours, we believe that a higher type of salesman can be attracted and employed if the company furnishes proper equipment." This is a factor so often overlooked when firms consider the expense of any sort of sales equipment—be it portfolios, sample cases, kits, photographs, films, or what not—that it is especially emphasized here. *Better equipment attracts better men.*

## Answering Standard Objections and Finding the Opportunity to Close

(Electrol, Inc.)

Electrol's pictorial presentation is of the easel type, face size 10" x 15". There are 77 pages in all five sections, practically all of which are illustrated. Most of the pages have little enough copy so that the message immediately "clicks."

In using this presentation, Electrol salesmen follow the plan of "qualifying" the prospect before the presentation is made. Usually the illustrated talk is given only when the prospect has been developed to the point where he says "yes" or "perhaps" to the question: "If I prove to you that Electrol is the best oil burner will you sign the order now?" The prospect must be further qualified to the extent that at the time when the portfolio is shown he is able to spend at least an hour with the salesman. Presentations are usually made at the prospect's home in the evening when both the owner and his wife are present. The portfolio is so constructed as to break down any of the buying objections commonly met. If the buyer does not sign an order on the salesman's first attempt to close, the salesman determines the reason why. He then turns to the specific section of the portfolio which answers this objection. If, for example, the prospect says he has another burner in mind, the salesman takes him through the section of the portfolio which analyzes the different types of burners on the market and shows how many competitive products fail to meet the four basic laws of oil burner operation and efficiency. If the prospect's objection is a technical point, the salesman takes him through the technical section. The latter section of the portfolio has many pages enlarging on technicalities, to be used at the discretion of the salesman.

Typical pages: one entitled "The Basic Laws for Combustion," as set forth by Frank Ward Sterling, Lieutenant Commander, United States Navy, recognized authority on oil burning; a page showing an excerpt from technical bulletin No. 109 of the United States Department of Agriculture entitled "A Study of the Oil Burner as Applied to Domestic Heating"—to show that pressure atomizing burners are recognized as being more effective; a page picturing a comfortable, attractive home with a family group in the living room and a caption, "For Over Seven Months of Every Year the Comfort and Health of Your Entire Family Depends on One Thing—Your Heating Plant."

## Specialized Study of Line Leaders through Weekly and Monthly Meetings

(Smith-Courtney Company)

In place of a weekly school held formerly, Smith-Courtney, manufacturers and jobbers of supplies and machinery, now hold weekly meetings of city salesmen and department heads. At these meetings are discussed transactions sold or lost during the week, competitive problems, etc. On the last Saturday of each month sales meetings are held which are attended by department heads, city salesmen and traveling salesmen.

At these meetings open forum is held for the first hour, at which time there is a general discussion of methods for improving sales technique. After this, some one important line which the company handles is selected for discussion, and an effort is made to develop ideas for new and better ways and means of increasing sales on that item.

A. B. Smith, secretary of the company, states that last year, through this method of study, the company practically doubled sales on Kester's solder; sales were tripled on Osborn brushes. "These were items,"



Mr. Smith points out, "on which, up to two years ago, little interest had been shown by our sales force. However, we were able to show them conclusively that these lines were worth selling and carried a substantial profit."

Frequently at these meetings the company entertains factory representatives who talk to the men about their line, suggesting selling methods and pointing out selling and technical features. "We were very dubious about holding monthly meetings," Mr. Smith adds, "because of the expense involved in bringing the road men in. However, our men, who pay their own expenses, have stated on several occasions that they like the idea and they want us to continue to hold these meetings because they are thus enabled to get the viewpoint of other men in the company, and to find out what is going on in other territories."

Since practically every company and jobbing organization that has a wide line is faced with the problem of neglected items, and the problem of pushing profitable items, it is recommended that readers refer to an article, "Featured Leaders Lifted Us Above Cat-and-Dog Competition" (SM March 7, 1931), in conjunction with the facts presented here.

## Making the Prospect Listen to the Very Complicated Sales Presentation

(Scripps-Howard Newspapers)

The Scripps-Howard national advertising department, in facing the problem of selling twenty-five newspapers in twenty-five metropolitan centers as a group, and in putting over the intricate story of policies behind these papers, developed a giant-size easel-style portfolio which serves as a guide for the executives in the presentation of their story before executive committees, boards of directors and other important groups of prospective purchasers. The pages of this portfolio measure 21 by 28½ inches. Charts, pictures and other types of graphic representation tell the fundamental story of the Scripps-Howard institution, its growth, policies and methods, and a fundamental theme—that of the desirability of concentrated circulation—runs through the whole.

In the presentation of this story before group audiences, Scripps-Howard insisted upon a letter-perfect delivery of the sales story. When the portfolio was first made available over a year ago all of the salesmen tried out for the job of making the presentation. Men were chosen in the several districts for special ability in giving the talk accompanying the charts and illustrations. Subsequently, these men were used exclusively as specialists in getting across the complicated sales story before advertising agencies and advertiser groups who constitute Scripps-Howard prospects.

In conjunction with the portfolio, separate data books are used which present the information about any individual newspaper and its market in minute detail. To individualize the sales story to each advertiser's needs, special briefs are prepared which analyze a newspaper and its market from the standpoint of the prospect's own sales problem.

A typical page from the portfolio is entitled "Squeezing Some of the Water Out of Forced Combinations." The charts and brief copy on this page show the extent of duplication of circulation between papers sold in combination, in five different cities.

# A Stamp May Solve It!

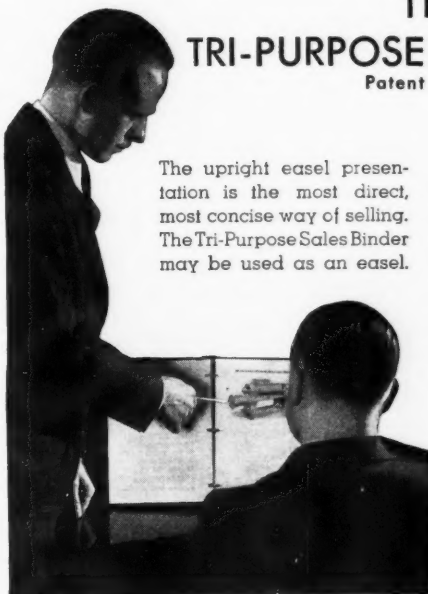
It's little enough to pay for a suggestion which may solve your sales problem.



REGARDLESS of what individual aspects your sales problem assumes, you need first of all a method of telling your sales story in the one best way; and second, some assurance that your salesmen will use it. Here at last is the answer—a sales binder all salesmen will endorse, and use. Spend a stamp now for complete details on this new sales aid.

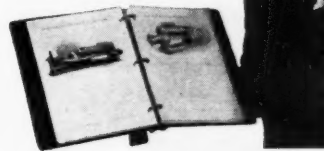
## THE TRI-PURPOSE SALES BINDER

Patent Pending

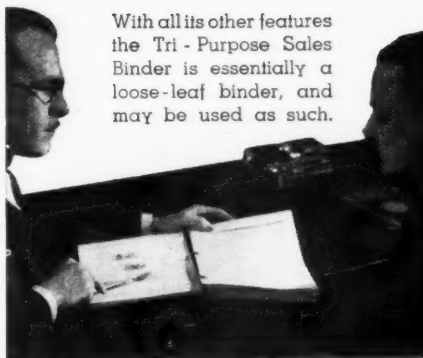


The upright easel presentation is the most direct, most concise way of selling. The Tri-Purpose Sales Binder may be used as an easel.

The Tri-Purpose Sales Binder may be held in one hand with perfect convenience.



Trim and neat, the Tri-Purpose Sales Binder is a dignified necessity to any salesman's kit.



With all its other features the Tri-Purpose Sales Binder is essentially a loose-leaf binder, and may be used as such.

### SPECIAL OFFER

Write today on your business letterhead for booklet describing in detail the complete line of Tri-Purpose Sales Binders. It contains a special offer of one only binder at the thousand-lot price.

## THE BURKHARDT COMPANY

545 W. LARNED STREET

DETROIT, MICHIGAN

CREATORS OF VISUAL SELLING BINDERS

## WHAT SHOULD BE INCLUDED IN A SALES MANUAL?

(Questionnaire Answered by 400 Johns-Manville Corp. Executives and Salesmen)

	Per Cent Answering	
	"Yes"	"No"
Weights and sizes of commodities.....	99%	1%
What the commodity is made of.....	97%	3%
Method of application.....	95%	5%
How the commodity is manufactured.....	80%	20%
What the commodity looks like.....	80%	20%
→ Installation photographs.....	80%	20%
Actual results obtained by customers.....	79%	21%
An index of advertising literature.....	75%	25%
List of installations.....	75%	25%
Brief history of Johns-Manville.....	69%	31%
Answers to common objections from prospects.....	57%	43%
→ Standard sales talks for major lines.....	50%	50%
→ Testimonial letters.....	41%	59%
Combine Sales Manual and Price Book.....	41%	59%

Maximum weight of Sales Manual:

5 lbs.—36% of the replies	8 lbs.—13% of the replies
10 lbs.—28% " " "	6 lbs.—11% " " "
No limit—2% " " "	Misc.—10% " " "

## Weekly Bulletins that Combine Selling Facts with Inspirational Material

(Shanferoke Coal & Supply Corp. of Delaware)

In an article which appeared in the August 1, 1931, issue of SALES MANAGEMENT, A. T. Goodenough, president, the Shanferoke Coal Company, reported that sales for his firm had not only increased 22 per cent over 1930 and 5 per cent over 1929, but that profits were running two and one-half times ahead of profits for 1930. This record was accomplished in the face of general recession in the coal industry. Two of the reasons advanced by Mr. Goodenough for this unusual depression record were (1) Adequate sales training, sales meetings and sales bulletins, and (2) Interchange of information among salesmen on how to meet specific selling problems.

The weekly bulletins are in two parts: one part is a series of "canned" four-page bulletins entitled "Practical Selling Illustrated," which carry, on the fourth page, a personal message from the president of the company, usually commenting further on the material in the printed section of the bulletin. The other is a pink sheet on which are summarized answers to some question about sales tactics or policy, which some member of the sales force has asked. These sheets supply a continuous stream of helpful facts and ideas which have been proved effective in answering standard objections. Material is gathered for the pink sheet through questionnaires sent out to all salesmen, which the men are required to answer. When the answers are all in, either the president or the vice-president reviews them, and in the following week a "Victory Bulletin" on "How They Win" is sent to all men covering the high spots of all the replies, with criticisms by the executive officer, of the answers given by the sales representatives. This bulletin, Mr. Goodenough says, has been the means of an interchange of ideas among the sales force which has proved to be most constructive.

Typical titles of several of these bulletins will indicate how they get right down to the brass tacks problems of every day's work in the field: "When your prospect says, 'Can't increase stocks,' what do you say?" (Three best answers received summarized below); "When the dealer says, 'I can buy coal of equal quality from independents at a lower price,' what do you say?" (answers summarized as before); "When your prospect says, 'I've been doing business with my present source for years and am entirely satisfied,' what do you say?" (One salesman answers, for example: "Persistent calling, stressing desire to be of assistance. Will take time, but eventually most dealers will give you a trial order which is opening wedge." The president adds to the symposium presented on the sheet the comment: "No one raised the question of flexibility of our coal. Harder coal takes more draft, hence loss of heat—mild weather harder to keep fire—cold weather, enough body to maintain sustaining fire.")

These bulletins, over a period of a year, embody an inconceivable amount of helpful information about the product and the sales tactics needed to sell it, about heating in general and

other subjects. Every man on the force has the benefit of every other man's experience. This is one of the most practical bulletin plans which the editors of SALES MANAGEMENT have encountered. It is simple, easy and inexpensive to operate and is of maximum helpfulness because it touches directly the difficulties the men are having every day in the field.

The weekly "Practical Selling, Illustrated" bulletins mentioned at first, take care of the inspirational side of contacting the men. Each of these bulletins is done in two colors, with the front page strikingly illustrated. They deal with such subjects as: "That First Half Minute" (pictured on the cover: a telephone girl saying, "What do you want to see him about?"; copy discussing the approach, with particular attention to personality and appearance factors); "Pride in Price" (picture of Tex Rickard, with story about how he sold the public a series of ring exhibitions to the tune of millions of dollars, making the public pay the highest prices on record); and such other subjects as "Activity—the Life of Sales"; "The World Loves a Fighter"; "Soft Soap"; "Enjoying Bad Business"; "Handling the Hedger."

Salesmen are supplied with portfolios in which to file the messages. The prime advantage of Shanferoke's method is that it combines the inspirational type of material with the practical fact type, and disseminates both on a systematic, planned basis which makes the bulletins an integral part of the sales plan.

## A Sales Kit that Solves the Problem of Training the Commission Agent

(Chase Brothers Company)

Chase Brothers Company, nurserymen of Rochester, New York, have more than 2,000 salesmen and saleswomen, many of whom work on a part-time basis. All are on straight commission. It is impractical to attempt to train these agents through such mediums as sales meetings, classroom study, or other conventional types of training plans. Chase Brothers devised, therefore, an outfit of selling equipment which gathers in convenient, usable form all the data needed to help a green man get started, and to aid more experienced salespeople in interesting greater numbers of prospects and selling larger orders. The outfit includes an elaborate catalog, in full color, of "Chase Fruit and Flowers," which builds up appeal through photographs. Besides price lists and assorted booklets and circulars dealing with individual types of plants, there are two sales manuals, "Guide to Successful Salesmanship" and "Helpful Suggestions for Beginners." A cook book telling how to make preserves, jellies, etc., from home-grown fruits is another feature of the kit. Incentive is supplied to salespeople through a book of prizes which are awarded upon the attainment of specified quotas of sales. Any concern that has the problem of high turnover among agents with whom they cannot establish close contact, and over whom they have only "remote control," might profitably consider the adoption of such equipment. Many of the full-time Chase representatives earn from \$3,000 to \$5,000 a year. Quite a few earn more.

## Getting Salesmen and Field Men to Understand and Support the Advertising

(Standard Brands, Inc.)

Feeling the need of doing something specific to give the salesmen the advance story of the advertising, Standard Brands, Inc., puts out a "Blue Book of Standard Brands Advertising Activity." This book is so made up that it presents not just a series of proofs of forthcoming advertisements and lists of media, as do most advertising portfolios, but it shows how the advertising program fits in with the big general sales program. Mr. Daniel Woolley, vice-president of the company, says of this book:

"The Blue Book of Standard Brands Advertising Activity" discusses our sales problems on each product and shows just what we are trying to accomplish, where the advertising fits in and why a particular copy angle is being used. If a test campaign has been run on any copy appeal we tell about that also. But we are careful to keep closely to a plain statement of facts and to eliminate any element of the 'inspirational.'

"If salesman's portfolios have been prepared, these are discussed in the Blue Book as are the uses of dealer tie-up material. After the first half of the year we issue a supplement to the Blue Book. This refers to the suggestions made in the Blue Book, discusses accomplishments during the first six months and notifies the organization of any changes in plans or schedules. The reception of this volume by our field organization has been so successful that it has become a permanent fixture, regardless of what else we may do.



"I cannot credit the Blue Book entirely with the present attitude of our sales organization to our advertising and sales plans. But it is interesting for me to recall that there was a time when there was almost a rivalry between personal selling and our publicity. If sales went up the field forces claimed credit. If sales went down they blamed the copy we were using. Almost every local manager had an idea that he thought would improve the pulling power of our advertising.

"Today a manager will protest as strongly if necessity causes us to eliminate a small paper from our schedule as he would if we were suddenly cutting off one of his important salesmen. Furthermore there is complete confidence in the type of campaign being run.

"When we begin a new advertising campaign on one of our products or make a radical copy change, our advertising agency prepares a salesman's prospectus. This gives the story of the product in the same terms as the advertising, outlines our advertising activity and suggests the use of tie-up material. This is a sort of combination 'canned sales talk' and promotional piece. While it is addressed to the dealer, it sells the salesman, too; for he must be thoroughly familiar with the prospectus before he can discuss it with his customer."

## Simple Kits that Enable Salesmen to Give Dramatic Demonstrations

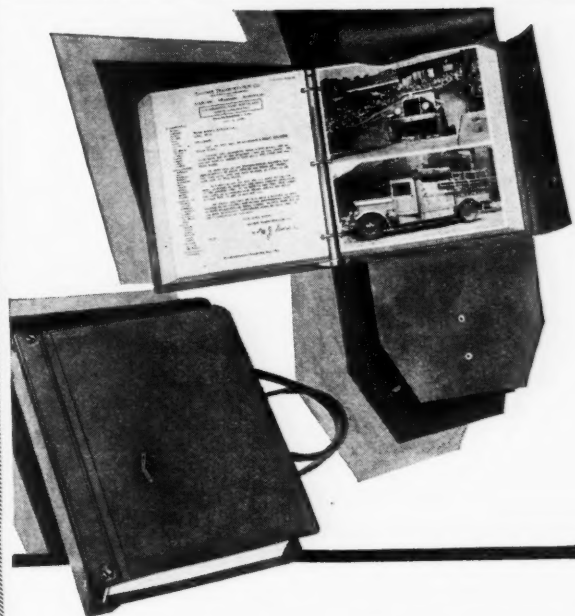
(Premier Vacuum Cleaner Company)

Premier's kit (pictured on page 323) is a simple affair of red cardboard, made up with four pockets. (Face measure 11" x 4 1/2"). In one of the pockets are four special envelopes containing materials needed for demonstrating the fidelity with which the machine picks up all types of foreign substances from a rug: kapoc, soda, sand, hair. In the other pockets are kept contact blanks and selected sales literature: reproductions of certificates of endorsement by *Good Housekeeping* Institute and *Delineator* Home Institute, a reprint of a poster of the Health Department of New York City warning that dry sweeping spreads disease, "14 Facts About the Manufacturer of Premier Electric Vacuum Cleaners" (selling the integrity and responsibility of the manufacturer), a sheet recounting a test made to show that the Premier cleaner is easy on rugs (picturing a rug swept 21,000,000 times), a reprint from Bulletin No. 112 of the Department of Agriculture of the Dominion of Canada on the relation of frequent vacuum cleaning to moth control, and a series of simple, direct-mail leaflets dealing with individual talking points. For the company that must produce some sales tool at very low cost, this type of kit is especially recommended, as are also the simple but extremely impressive series of exhibits which are carried inside it.

## Sample Cases that Display, Demonstrate, and Create Building Material Sales

(Marsh Wall Tile Company)

Marsh wall tile is an interior wall finish, sold in sheet form, which sells at approximately half the cost of ceramic tile. The company's salesmen face the problem of proving that a composition product can really be made to possess many of the same attributes as ceramic tile—beauty of finish, warp proof, pleasing colors, stainless surface, imperviousness to dirt and moisture, etc. In other words, the prospect really must see the product in order to appreciate it. But such a product is not easy to sample; if a buyer is really interested, he wants to see the whole range of colors in order to make his choice. A sample case was finally designed which, according to V. R. Marsh, manager, has come to be "indispensable in the company's sales work." This case (pictured on page 323) contains 12" by 20" samples of all available colors of Marsh tile, together with two plain sheets of the same size without tile markings which stand on edge on an incline so that the various colors show. The front of the case folds out, forming two trays upon which are mounted the various colors and designs of the firm's wood and metal mouldings. There is a long compartment divided into sections with places for literature, a hammer and a waterproof pocket for placing chemicals and damp end of a cloth used in demonstration work. (The use of these materials enables the salesman to prove dramatically that the finish is acid proof and difficult to mar, even with a hammer.) This case is not always used on first contact, but more often as a closer—after the customer is interested to the point where he wants to know more about the product. "Then," Mr. Marsh points out, "by simply opening the case and displaying the larger sheets of Marsh wall tile with all the different moulds and accessories—it requires little time for the customer to fully visualize the possibilities the material holds for his home or business establishment."



## Modern Equipment Makes Better Salesmen



The successful salesman calls, makes his presentation, asks for the order and leaves. His solicitation is well planned and flows smoothly to its completion, omitting nothing that will influence the sale. Outstanding features are dramatized convincingly and all essential data—comparative performance

charts, comparative prices and testimonials are employed at exactly the right moment.

Wilson-Jones salesmen's equipment will help to organize the sales story of your product. Demonstrating portfolios, sales manuals, easel display portfolios, indexed price lists, attractive catalog covers will make your salesmen more effective.

We have prepared an elaborate brochure which illustrates and describes the latest types of salesman's equipment. Every Advertising, Sales and Sales Promotion Manager will find in it a wealth of ideas for helping his salesmen sell. It shows how General Electric, Chevrolet, Maytag, Delco-Light and many others have organized their sales stories.

May we send you a copy?—No obligation, of course.

## WILSON-JONES Co.

KANSAS CITY • CHICAGO • NEW YORK

WILSON-JONES COMPANY

3300 Franklin Blvd.,  
Chicago, Illinois

Send me a copy of your booklet describing salesmen's selling equipment.

Name..... Attach to your letterhead S

## Ten Rules for Conducting Successful Sales Contests

- ¶ 1. Plan the contest so that many salesmen have chances to win prizes, and not so that no one but the topnotch men have a chance at the merchandise or cash.
- ¶ 2. Promote the contest vigorously during the period of its operation, through mailings, meetings, telegrams, scoreboards, house organs and other mediums. Don't let interest lag for a minute.
- ¶ 3. Get some type of *team* interest into the contest as well as competition between individual salesmen—the salesmen will then act as spurs to each other.
- ¶ 4. If possible, combine "honor" awards and recognition with the more concrete type of prizes.
- ¶ 5. Use care in setting the quotas for a contest—if possible giving the salesmen a part in setting them—so that the men will not start out feeling that the quotas are too high, or impossible of attainment.
- ¶ 6. Offer some type of sliding scale arrangement whereby the men are rewarded more generously for each successive attainment above the basic quota. Some men do their best work after they have passed a quota.
- ¶ 7. If you are offering merchandise prizes, do not forget to choose some prizes which are of direct interest to the salesmen's wives—and let them know such prizes are being offered through direct solicitation of their cooperation.
- ¶ 8. While some companies have, through good management, been highly successful in conducting contests that extend over long periods of time, it is better to err on the side of making the contest too short rather than too long.
- ¶ 9. Use showmanship with your contest—in its promotion plans, in the way you require salesmen to check in their credits—even in contacting prospective customers. Often the customer will become interested and do what he can to help a salesman make additional sales. All of which is only another way of saying, "Find ways to make your contest interesting to everybody."
- ¶ 10. Plan some dinner or other event for the end of the contest, so that awards may be "staged." Salesmen like to be honored in the presence of their fellow workers.

### A "Picture Book" Catalog that Talks to Industrial Buyers in Their Own Language (Economy Engineering Company)

An impressive catalog has been created by this company, which capitalizes on the prestige of many nationally known users of the product (materials handling equipment), shows a range of application so wide that almost any prospective buyer could be shown the solution of a problem similar to his own, and lends an unusual invitation for inspection through dozens and dozens of full-page pictures of Economy equipment in use in diverse fields. The "picture book" is divided into five sections, marked with colored tabs, under the heads: Barrel Racks, Lifters, Etc.; Miscellaneous Applications; Handling Paper; Use in Industrial Plants; and Construction Photos and Catalog. On the back of each picture is brief copy identifying it, and analyzing the problem solved. Typical installation pictures are Sinclair Refining Company, Allis Chalmers Manufacturing Company, Chrysler Corporation, International Shoe Company and United States Radiator Company.

### These Contests Help to Set New Sales Records Every Month (Rex Cole, Inc.)

Rex Cole, Inc., New York distributors of General Electric refrigerators, usually run three major sales contests a year for their house-to-house sales force. A four or five months' contest each spring and a short contest in the summer are created and handled as special Rex Cole drives. The third contest of the year is a tie-up with a national General Electric competition held in the fall.

Rex Cole has found that contests are ineffective unless prizes given are worth while and unless many salesmen have a chance to win a prize. Where the company does not give merchandise or cash prizes it offers trips or outings. These are popular because these trips are elaborately planned outstanding events. For instance, one contest offered a trip through the General Electric factory at Schenectady.

The top four salesmen in each division also wore different colored buttons to indicate rank. Out of 160 men who competed, fifty-eight made their quotas and were awarded the trip.

Another competition was a vice-president's contest, covering a period of five months. There were merchandise prizes available and all were illustrated in a contest prize book, so as to arouse the maximum amount of interest.

Credit points exchangeable for merchandise were issued each month to the three sales directors whose divisions accomplished the highest percentage of their monthly quota. Additional prizes were awarded to the four leading salesmen of each of the nine divisions of the retail department.

The sales director earning the greatest number of credit points during the entire period of the contest was awarded a Gruen Pentagon watch—the "Croix de Guerre" for achievement.

The leading salesman of the leading division for the full period of the contest also received a Gruen Pentagon watch. Bonus credits were issued to the salesmen on the following basis:

The man with the highest number of points to his credit during the entire contest was rewarded with 30,000 additional credits; the second highest man received 25,000 additional credits; the third highest, 20,000; the fourth highest, 15,000, and the fifth highest, 10,000. All bonus awards were in addition to the monthly credits issued. In the case of a tie for any prize the dollar value of the refrigerators sold would determine the winner.

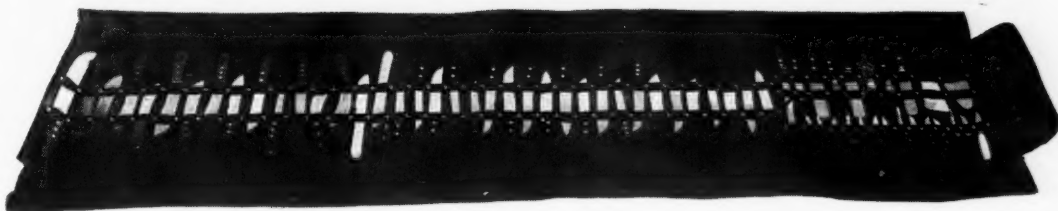
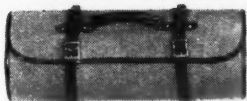
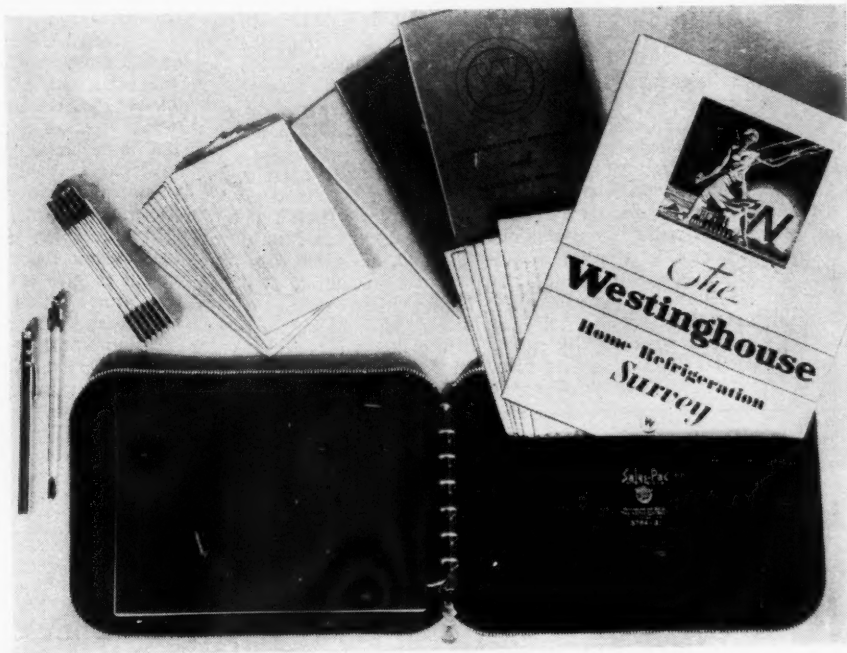
Credits were awarded on the basis of percentage of sales to quota. The division accomplishing the highest percentage of quota won for the sales director the first monthly prize. The four salesmen of each division who accomplished the highest percentage of each month's quota received the four monthly awards. Bonus prizes, however, were issued on the basis of total credit points earned during the entire period of the contest.

Rex Cole's sales methods are of particular interest because of the fact that the company has increased sales every month over the same month the previous year for fifty-eight months, with one single exception. They led all other distributors in number of G.E. refrigerators sold last year, and had 115 men who qualified for the General Electric trip to Bermuda that was offered to all men who sold \$25,000 worth of refrigerators or more at retail. More information about the details of this contest may be obtained from the Readers' Service Bureau, SALES MANAGEMENT, 420 Lexington Avenue, New York.

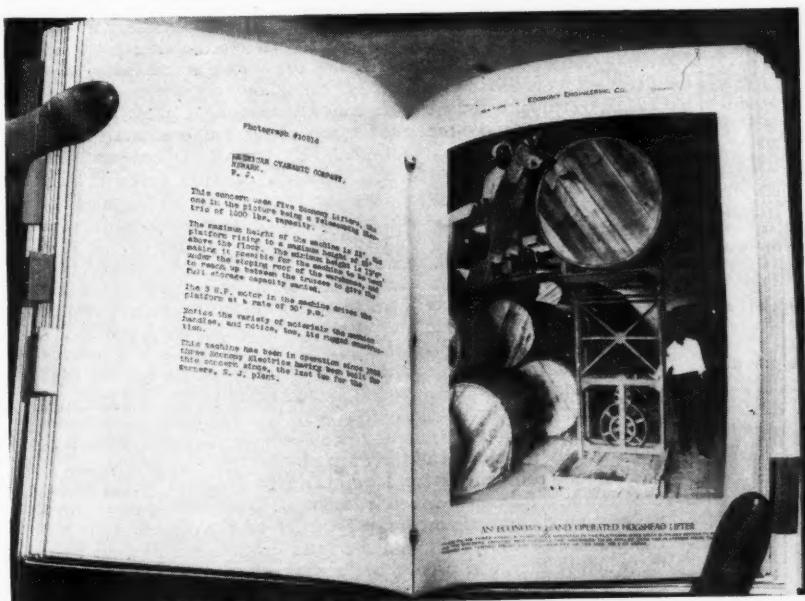




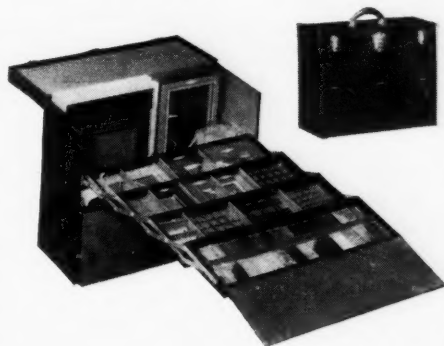
(Left and below) The new Westinghouse sales kit serves both as a portfolio for selected exhibits, and as a complete visual demonstrator. It closes around three sides with a zipper. Westinghouse folks are calling it "the answer to a salesman's prayer."



(Above) Even such prosaic products as kitchen knives take on new interest when displayed against the green felt background of this roll. (Below, left) The Economy Engineering Company's "Picture Book" shows prospects how other companies in the same industry are solving their materials handling problems.



(Below) A higher type of salesman can be attracted and employed when the company offers the proper type of selling equipment, says the Corry Metal Corporation. Here is their new sample case.



## Electrol Gives Salesmen Special Plans for Winning Credits in Prosperity Drive

(Electrol, Inc.)

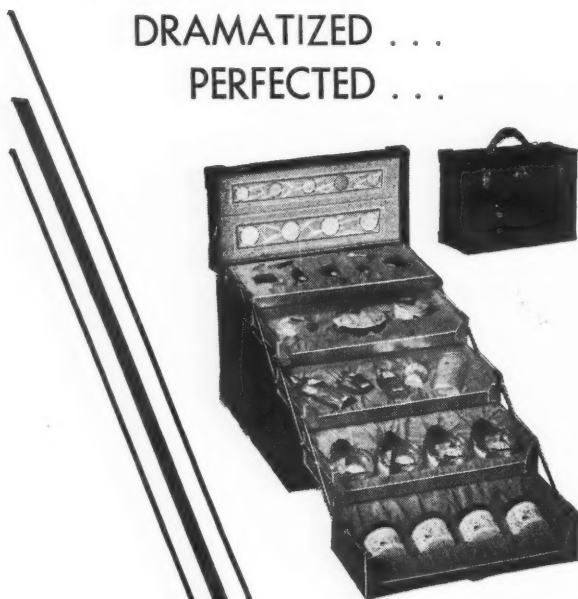
From March 1 to April 30, 1931, Electrol, Inc., ran a Spring Prosperity Drive for its dealer salesmen. Each salesman who entered the competition had to fill out a registration card. When this card was received with the proper information he was sent a prize book showing a large variety of merchandise prizes available, about 1,000 different prizes being listed. In addition to the prize book, each salesman was supplied with a cut-out card representing a "Prosperity Driver" seated in a little roadster. This was sent in conjunction with the rules of the contest, and a poster-size illustrated sheet on which the salesman could move the car along the road to "Prosperityville," at the rate of the salesman's sales.

Because the company wanted to get the salesmen off to a rapid start in the contest, more credits were awarded the first six days of the contest than for the second week. Thus, from March 1 to 5, inclusive, 1,000 credits were awarded per burner; from March 6 to 10, inclusive, 750 credits; March 11 to 31, inclusive, 600 credits, and from April 1 to 30, the close of the contest, 500 credits per burner.

The salesman who got his total credits, 7,500, and reached Prosperityville, was automatically elected to the Electrol Toppers' Club, for which he got a leather case and 500 cards imprinted with his name and with a special gold embossed insignia indicat-

## VISUAL PRESENTATION SIMPLIFIED . . .

DRAMATIZED . . .  
PERFECTED . . .



Mr. Sales Manager:

Allow us to introduce to you the "Knickerbocker" creatively designed sales case that dramatizes your presentation and gives a 100% selling performance.

A case that puts originality, attractiveness, speed, action, novelty and enthusiasm into selling.

A case that does to your samples what the artist and his colors do to your sales literature and advertising.

A case that doubles the power of your selling organization at a cost of less than 2c per man per day.

Let the only organization of its kind solve your sales equipment problems, without charge or obligation.

Please write KNICKERBOCKER CASE COMPANY,  
2319 North Crawford Avenue,  
Chicago, Illinois.

ORIGINAL DESIGNERS TO  
PROGRESSIVE SALES EXECUTIVES  
FOR THIRTY YEARS

ing that he is a member of the Electrol Toppers' Club. In addition to the general prizes for credits, special prizes were offered during the contest, as announced on the weekly bulletins.

The branches competed for the prize cup, which does not remain with any branch permanently until it has been won three times. The branch that won the prize cup during the Spring Prosperity Drive had the names of the members of the sales force that helped to win it engraved on it. The Electrol dealer organization was also divided into groups with a prize awarded to the highest standing team in each group. Sales managers were eligible for valuable prizes if their teams made their quotas.

To start the contest the salesman was first sent a facsimile telegram, a registration blank to enter the contest, a folder describing the rules and, of course, the big sheet. Subsequent promotional matter took the form of letters containing order blanks, etc. From week to week a bulletin told how the contest was progressing, but more important was the bulletin outlining several plans of selling. One plan was the "Three Sevens" plan in which the salesman each day was to telephone seven prospects, write seven prospects and call on seven prospects.

Another plan was the shovel and ash-can campaign, in which for any home owner's coal shovel and ash-can the Electrol dealer agreed to give a certain amount of money if he bought an Electrol burner. This was dramatized by the dealer by piling up old shovels and ash-cans in a prominent public lot with banners for ballyhoo. Still another plan was the Twelve House Canvass plan in which on the day an Electrol was being installed the salesman called on the sixth house across the street from the house where the installation took place, and three houses on each side of the house installing the burner. Using the local installation as an introduction the salesman proceeded with his canvass.

These plans are typical of the ways in which the dealer was given concrete merchandising ideas to work out.

## A "Military Campaign" Contest with Cash Bonuses for Passing Quotas

(General Electric Supply Corporation)

A special campaign idea used last year by G.E. to attain a \$400,000 quota of new lamp business during the summer embodies a number of ideas which could effectively be adapted by companies in other lines of business, to stimulate sales during slow seasons. This campaign, which was called by J. L. Buchanan, president of the company, "the most successful drive for new business on Mazda lamps ever conducted by the electrical industry," not only brought in the \$400,000 quota, but a volume which amounted to 250 per cent of that figure! The total was \$1,076,000—all brand new business. The contest was called "War." Details will be found in SM October 10, 1931.

## Weekly Stimulants in the Form of Merchandise Prizes for Commission Men

(Chase Brothers Company)

The Chase Brothers Company uses weekly stimulation with premiums. This company has found that merchandise prizes are the greatest stimulants to sales activity and consequently uses premiums of this sort regularly throughout the year. Salesmen for the company receive each Monday morning a weekly printed news sheet to carry the information about the products as well as about premiums being offered. One week the company may offer a surprise package for any order the salesman sends in. The last two weeks of the year they may run a Chase Christmas and New Year party, in which the salesman is able to work and secure through his sales gifts for his friends and family.

When the company offers something for the home it addresses the Monday morning mailing piece to the women folk of the salesman's family, urging them to stimulate the salesman's efforts. A very successful premium was a lace bedspread; another, a seven-piece Cannon towel set. A rayon bedspread was offered three times. Occasionally the company offers prizes for the high man in each state. The cost of merchandise prizes is figured at 3 per cent of gross sales.

The Chase Brothers Company is sold on merchandise prize contests, as a sales stimulant for its particular type of products. It has cut out prize offers for a period of four or five weeks as an experiment. Salesmen wrote in from all over asking that prizes be continued, and almost in proportion to their interest in the continuance of the prizes, did the sales drop. Salesmen, no matter whether they win or not, are always given their regular commission.





## Section IV.

# Compensating Salesmen

## Trends in Salesmen's Expense Account Practice

**A**FTER the publication—in October, 1931—of SALES MANAGEMENT'S survey, "475 Companies Tell How They Are Adjusting Salesmen's Compensation," many sales directors wrote to the editors urging a special study of expense accounts. "Where are other companies cutting expenses, and how much?" they asked.

The editors believe that the tabulation printed on the facing page represents a fair cross section of what is being done, now, in the way of handling the expense of keeping men on the road. About a third of the companies reporting in this investigation stated definitely that they have reduced expense allowances during the past year. The item most generally cut was automobile allowances (see special summary on this subject on page 335). Entertainment has been cut out entirely by many firms or is being definitely limited. About 5 per cent of the companies reporting stated that allowances had been reduced for meals and hotel rooms.

Several executives stated that reductions had been made "all along the line"—meaning that every allowed item of expense had been reduced. A tobacco company reports a 10 per cent reduction. A large hardware manufacturing concern reports the same saving. A candy manufacturer operating on the flat daily expense allowance plan reduced the allowance from \$4.50 to \$4.00 a day—an 11 per cent drop. A silverware firm cut 20 per cent on incidentals, meals and hotel rooms. A middle west furnace company cut 15 to 20 per cent on rooms and meals. A big paint concern reports a saving of \$5,000 last year on salesmen's expenses through closer supervision of expense accounts. Many of the companies that have not arbitrarily limited expenses say that they have appealed to their men to hold expenditures down to the lowest possible figure.

**A**HAT company and a glove company both report their having changed from an expense account plan to that of paying their men on straight commission and requiring them to pay their own expenses. In certain fields this method of operation is very popular. Companies which operate according to this plan are Cleveland Switchboard Company, Eskimo Pie Corporation, Rockford Republic Furniture Company, G. W. Eade & Company, Central City Chemical Company, Foy Paint Company, Lightolier Company, Mallory Hat Company, Interstate Electric Company, Hagerstown Shoe & Legging Company and Weatherbest Stained Shingle Company.

Estimates as to what constitutes "reasonable" expenses per day for a man (a) in a large city, and (b) in a small city, run, for the former, from \$4.50 to \$15. For the latter estimates range from \$3.00 to \$12.00. In round figures (and based on a mean, where a range was indicated), fifty companies averaged \$7.70 for large city per day expenses, with \$5.60 for small city expenses.

All companies reporting (where the company pays the expenses) allowed transportation costs of all kinds, either on an itemized basis or flat allowance. A handful had cut out tips. Almost all allowed phone and wire expenses. When it comes to valet service, shoe shines and laundry, practices differ. The majority allow necessary stenographic expenses while on the road. The majority clamp a limit on entertainment, some specifying that such expenditures can be made only for luncheon or dinner.

**A**N interesting flat allowance plan for handling salesmen's expenses is used by The United States Printing & Lithograph Company. Here are the rules for the plan as furnished by A. C. Osborn, general sales manager:

1. Expense accounts will be rendered weekly.
2. The per diem amount allowed covers all local telephone calls, tips, baggage, taxi, bus, postage, carfare and stenographic expense. If necessary occasionally to entertain a customer or a prospective customer, the person entertained will be reported, together with when and how entertained. Long distance telephone calls or telegrams to the home office should be sent collect or charges reversed. Those to customers shall be reported, with the name of the recipient and the date sent. Under no circumstances will any expense be allowed for either telephone calls or telegrams where the subject is personal.
3. Sleeping car berths are chargeable at lower berth rates regardless of whether a lower or an upper is occupied. This in order to avoid any questions. Twenty-five cents per night may be added to cover porter's tips.
4. No parlor car charge will be allowed where the distance is less than seventy-five miles.
5. Living expenses, including room, meals and other items as per article 2, will be allowed as follows.

— Population —		Now allowed per day	Previously allowed per day
Class A Cities (over 2,000,000) . . . . .		\$8.00	\$12.00
Class B Cities (700,000 to 2,000,000) . . . . .		7.50	10.00
Class C Cities (100,000 to 700,000) . . . . .		7.00	7.50
Class D Cities ( 75,000 to 100,000) . . . . .		6.50	7.00
Class E Cities ( 30,000 to 75,000) . . . . .		5.50	6.00
Class F Cities (up to 30,000) . . . . .		5.00	5.00

6. All cities not mentioned come under Class F.
7. A day will be divided into fifths, breakfast, lunch and dinner each being considered a fifth, and room, two-fifths of a day. The expenses are reported on reverse side of this sheet,\* five squares being allotted to each day under each class. At the end of each week the total units of each class are to be added and extended at the unit rate.
8. Meals on dining-car are allowable at \$1.25 each.
9. If a salesman finds a town crowded and only high-priced rooms available, it is understood that the bad luck is his, which he will doubtless avoid by searching further for a room. This he is more apt to do than if the company were willing to pay the higher rate. If he meets a loss, the company believes that he will recover it by operation of the law of averages.
10. No expense of any member of the family of a salesman, or of any other member of our entire organization, including officers and executives, is chargeable against the company.
11. The only expenses chargeable in cities where offices are maintained by salesmen located in such cities are carfare covering calls and reasonable entertaining expense.

\* See page 331.



# **SURVEY OF SALESMEN'S EXPENSE ACCOUNT PRACTICES**

COMPANY	METHOD OF OPERATION		ITEMS ALLOWED											Auto Allowance (Per Mile Itemized)	Maximum Per Day Big City	Maximum Per Day Small City
	Flat Allowance	Expense Account	Hotel and Meals	R. R. Fare	St. Car & City Bus	Int. Bus	Tips	Tel & Tel.	Val- et	Shoe Shine	Laun- dry	Steno	Enter- tain- ment			
BUILDING MATERIALS & EQUIPMENT																
Bloomington Limestone Co.		✓	L 5.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	Day L2.00	.05	10.00	7.50
Curtis Door & Sash Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.05	6.00	—
Insulite Co.		✓	✓	✓	✓	✓	L	✓	✓	✓	✓	✓	✓	.08	8.00	5.50
Porcelain Enamel & Mfg. Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.05	7.00-10.00	3.00-4.50
Sioux City Brick & Tile Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.05	10.00	—
Trussbilt Steel Doors Inc.		✓	✓	✓	✓	✓	L	✓	✓	✓	✓	✓	Meals only L	.04	5.00-6.00	4.00
Confidential		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	Itemized	8.00-9.00	5.00-6.00
Confidential		✓	L 3.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	Itemized	7.50	5.00
Confidential		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	Flat Monthly		
DRUGS & TOBACCO																
Frederick Disinfectant Co.	✓ 65.00 wk.														7.50	5.00
Parawax Company	✓ 5.00														7.50	5.00
Peter Hauptman Tobacco Co.	3.00-5.00															
O-Cedar Corp.	✓ 5.00-6.00	✓	L 3.00	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Confidential		✓	L 5.00†	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Confidential		✓	L 6.00†	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.04		
Confidential	✓ 5.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
ELECTRICAL PRODUCTS																
Allen Electric & Equipment Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	L 5.00	.05	6.00	5.00
Burgess Battery Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	3.00 Day		
Seymour Products Co.		✓	L 4.50	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	.06	12.00-15.00	8.00-12.00
Confidential		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.05	6.00	4.50
FOOD (Including MEATS) CANDY & SOFT DRINKS																
Arbuckle Bros.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		50.00 Mthly	6.00	4.25
Gerber Products Division		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		.05	7.00	5.00
Jane Elizabeth Candies Inc.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		6.00	5.00
Purity Baking Co.		✓	L 3.00	✓	✓	✓	L	✓	✓	✓	✓	✓	✓	.05 Item	6.00	4.50
Rochester Packing Co.		✓	L 3.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	L 2.00		6.00	5.00
Savannah Sugar Refining Corp.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Itemized		
Paul Schulze Biscuit Co.	Varies		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.04 to .06	5.00	3.50
Spray Coffee & Spice Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Itemized	15.00	10.00
Squire Dingee Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.06	10.00	8.00
Confidential	4.00 Day		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Itemized		
Confidential		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Itemized		
Confidential		✓	L 3.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	Itemized	6.00-7.00	3.00-5.00
Confidential		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
HARDWARE & PAINTS																
Jeschke Specialty Works		✓	L 5.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		8.00	4.00
National Lead Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	Itemized	8.00	5.00
Mid States Steel & Wire Co.	6.00-8.00		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	.05	4.00	2.50
Confidential	Varies		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Confidential		✓†	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	Itemized		
Confidential	125-175 Mo.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Confidential		✓	L	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.065	8.00-9.00	7.00
HOME APPLIANCES																
International Burners Corp.		✓	L 3.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.07		
Lenox Furnace Co.		✓	L 2.50	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	.05	6.00	4.00
Mt. Vernon Furnace & Mfg. Co.	50.00-80.00 Wk.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Seagar Refrigerator Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
INDUSTRIAL																
Geometric Tool Co.		✓	L 4.00	✓	✓	✓	L	✓	✓	✓	✓†††	✓	✓	.06	8.00	6.00
Riley Stoker Corp.		✓	L 5.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	.07	8.00	5.00
Rockford Machine Tool Co.		✓	L 4.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	.06	10.00	7.00
Confidential		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓†††	✓	✓	Itemized	12.00	9.00
JEWELRY & CLOCKS																
R. Wallace & Sons Mfg. Co.		✓	L 3.50	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	Als. Itemized		
Western Clock Co.		✓	L 3.50	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.05-.07	11.00	8.00
Confidential		✓	L 4.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	Itemized	6.50	4.50
Confidential		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.05	8.00	6.00
MISCELLANEOUS																
All Steel Equipment Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	Itemized	6.00	5.00
American Lawn Mower Co.		✓	L 3.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Itemized	10.00	8.00
Carter, Rice & Carpenter Paper Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
P. H. Davis Tailoring Co.	8.00 Day†††		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Itemized	10.00	7.00
Du Pont Ammonia Corp.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		10.00	5.00
Egry Register Co.	5.00-7.00 Day		†L 7.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	.08	7.00	5.00
Martin Band Instrument Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.05-.07	8.00	6.00
Mona Motor Oil Co.		✓	L 3.50	✓	✓	✓	✓	✓	✓	✓	✓	✓	L		8.00	6.00
Pepperell Mfg. Co.		✓	L 4.50	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	Itemized		6.00-10.00
Powers Regulator Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.06		
Toy Tinkers Inc.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Co. Cars Itemized	5.00	4.00
United Chemical & Organic Prod. Co.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	.05-.07	7.50	6.00
Union Waxed & Tis. Paper Co.		✓	L 4.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	.04-.06	6.00	4.25
Confidential		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	L		7.50	6.00
Confidential		✓	L 3.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	.04	7.00	5.50
Confidential		✓	L 4.50†	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	Co. Cars Itemized		
WOMEN'S WEAR AND ACCESSORIES																
Central Shoe Co.		✓	L 2.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	.05	5.00-6.00	3.00-4.50
International Corset Co.		✓	L 4.00	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	5.00 daily Itemized	5.00	3.50

†Includes Meals.  
 ††Expenses Budgeted on Yearly Basis.  
 †††If away over Week End.  
 ††††Majority of Men Pay Own Expenses.

L—Expenses limited to figure following.  
 †Figures shown refer to limit on price of room, unless otherwise indicated.

In reading the above table, the absence of checks in the columns for hotel rooms and city and interurban transportation does not mean that these items are not allowed, but that the men travel exclusively by car. Where there are checks, and where data are also given on automobiles, companies use both methods of transportation.

## Survey Indicates Trend to More Incentive Factors in Payment

A SURVEY conducted by the editors of SALES MANAGEMENT in September, 1931, among 475 companies, on the subject of changes being made in salesmen's compensation plans, brought out the following trends, which, in the light of field contacts made during the preparation of this supplement, are still reasonably accurate:

1. That present business conditions have accelerated the movement away from salary, or salary and commission plans, to arrangements more often involving sliding commissions, bonus arrangements, premium payment for the most profitable types of business, and various kinds of profit-sharing plans.
2. That, while there is every indication that management feels the need for adjustment of payment plans to meet immediate problems, there is also evidence that management is thinking ahead as to the probable effect such changes will have after business begins to show a marked pickup.
3. Drawing accounts, where they have been in force, are being cut generally, because of the piling up, in some quarters, of the salesmen's indebtedness to the company through money advanced against commissions which are not being earned.
4. Considerable thought is being given, on the part of many executives, to the bearing of the compensation plan on the morale and fighting spirit of the men in the field.
5. Many concerns are adjusting territories to give the best men a bigger field in which to operate, at the same time lopping off the poor producers who normally might be carried in the red for a period of some months.
6. Those companies that have been operating on a profit-sharing arrangement of some kind seem to be in less difficulty regarding compensation complications than firms operating on other payment plans.
7. Salesmen's expense accounts are being cut, but only slightly. This is due to the fact that transportation and hotel rates,\* two of the big items in accounts, have not declined. Automobile allowances are undergoing a general revision to lower levels.
8. About one-third of the number of concerns reporting among those having salary arrangements have cut salaries, mostly in amounts between 10 and 20 per cent.

Full details of the survey were published in the issues of October 3, 10, and 17, under the title "475 Companies Tell How They Are Adjusting Salesmen's Compensation." No more copies of these back issues are available, due to the demand for this survey. The only way the material can be furnished to subscribers is through photostat copies, at a cost of 20 cents per page.

## Simplicity and Unusual Effectiveness Are Combined in this Profit-Sharing Plan (Coffee Products of America, Inc.)

Here is a plan that has been unusually effective in cutting turnover on the sales force and in increasing sales even during depression times. Salesmen for Coffee Products own their own cars and pay all of their own expenses. On the order sheets turned in by the salesmen are figured costs of goods sold, and total dollar volume of sales. Monthly sales sheets for each man (made up from daily reports) show dollar volume sold, selling cost, and gross profit. Salesmen are furnished price books giving basic costs on each item, which represent the market, as speculative profits are kept to offset declines. Compensation is figured from a basis of 20 per cent gross profit on sales. If a salesman earns this figure on his sales, the company pays him 8.5 per cent. If he earns 22 per cent, the company takes half the overage and gives the salesman half. If he earns only 15 per cent, the salesman stands half the cut and the company half, giving the salesman 6 per cent on his total sales.

This company has a hundred or more items bearing different margins of profit. Some specialties carry a gross of 40 per cent; other staples sold in large quantities show a margin of 10 per

\*Some reductions of note have taken place since—see "Hotels' Refusal to Reduce Rates Hurts Their Business and Others," SM November 21, 1931.

cent or less. With this type of a compensation plan, it can be readily understood that the salesmen make a continuous effort to build up volume on the most profitable items.

Of this plan, E. L. Weaver, director of sales, says: "We try to educate our salesmen to be profit makers. This is done by comparing the results of one salesman's work with another, and we might add that some of our men, by good salesmanship and careful work, are able to get an average of 3 per cent more gross profit than others who are careless and who like to sell merchandise on price. . . . In paying our salesmen on a plan of this kind we are able to get high class men on a low drawing account basis in the beginning. We tell them that we are not offering them a high salaried position but an opportunity to make a high salary if they are capable, and in this way we get men who really believe in themselves and their ability. We allow a drawing account which we figure will feed, clothe and pay the expenses of the salesman, and any man who is in the red on this account knows he cannot hold his position long unless he is producing results that give promise for better things in the future. We are enclosing a copy of our monthly sales report sheet, and also a copy of an order on one of our regular order blanks. These will show how simple our plan is.

" . . . We have taken salesmen with mediocre ability who have become so interested in their work and the chance of producing an income on our compensation basis that they have, in their own interest, developed their accounts and enough of them to keep them working full time. . . . Any manufacturer putting a salesman to work on this basis must realize that if he does not give the salesman a reasonable opportunity in the division of profits he cannot make a go of it; he simply discourages the salesman and places himself in a position where he will have to pay more, by some other method, for his sales service.

"We like to see our men earn more, on the basis we employ, than is generally paid by manufacturers in our line. In this way our salesmen become settled and are not easily taken away from us by offers of competitors. We were forced to make only one change in our sales force of 25 men during the year 1931. Most of our men have been with us ten years or more. We made a very substantial gain in sales on our leading high grade brand of coffee over 1930, regardless of the fact that the public went strong for low-priced coffee during the year." (See page 337.)

## A Bonus Plan that Makes Sales Training a Prerequisite to Reaping Its Full Rewards (Oakland Motor Car Company)

Pontiac recommends to its dealers the use of a straight 5 per cent commission on the f. o. b. price of the car, not deducting trade-ins from the amount of sale.

Another plan that has proved most satisfactory for many Pontiac dealers is one which involves the payment of a flat amount on each new car sold, regardless of trade-ins. The minimum amount recommended under this plan is \$30 on each new 6, and \$40 on each new V-8. With this minimum it is suggested that a bonus be paid for volume above that of the average salesman. Pontiac recommends that salesmen be paid 6 per cent on the sale price of every used car sold, not deducting the trade-ins, with a minimum commission of \$10 for used car sales.

Effective with the 1932 model Pontiacs, a bonus plan was inaugurated for the benefit of retail salesmen providing for the payment of a voluntary bonus to retail men on condition that both the salesman and dealer fulfill the requirements of the plan as outlined below:

The Oakland Motor Car Company, beginning with 1932, will set up an accrual of \$9 on each Pontiac V-8 and \$7 on each Pontiac 6 manufactured. This fund is to be disbursed to retail salesmen as cars are sold and reported by the dealer monthly on a form furnished for the purpose, through payment, during the month following delivery, of \$4 on each new V-8 delivered and \$2 on each new 6 delivered. The balance of \$5 on each new car delivered will be held in a bonus fund to be paid to the salesman at the end of the sixth month after delivery of the car or cars, providing he is in the employ of a recognized Pontiac dealer according to the provisions of the bonus plan. The benefits of the plan will be retroactive for a period of thirty days prior to the date the retail salesman qualifies.

In order for the salesmen to secure the benefits of the plan, the dealer is required to pay retail salesmen the equivalent of \$40 on each new Pontiac V-8 and \$30 on each new 6 delivered, without any deductions for trade-ins. The salesman shall be entitled to his usual commission on account of accessories (6 per cent on sale price) over and above the foregoing sums of money paid to him as commissions or salary.



# Study of Salesmen's Automobile Allowances

Company	Make of Cars	Who Owns Cars	How are Cars Operated		Allowance approximate per mile	Change made since Jan. 1931
			Fixed Allowance	Itemized Account		
Alpha Portland Cement Co. ....	Dodge, Pontiac, Chevrolet, mostly	Co.	.....	X	.032—1931	1930—.038; 1929—.042; Does not include Depr., Ins.; Intr.
Ballard & Ballard Co. ....	Ford, Chevrolet, Willys	Co.	.....	X	.03	
Bird & Son, Inc. ....	Salesmen select	S.	X	.....	.07	Most cars paid by straight commission men.
Butler Manufacturing Co. ....	Ford, Chevrolet	Co.	.....	X	.045	
		S.	X	.....	4.50	
Chain Belt Co. ....	Salesmen select	S.	X	.....	.06	Reduced from .07
Colgate-Palmolive-Peet Co. ....	Salesmen select	S.	X	.....	\$2.50 to \$4.50 <sup>1</sup> per day	Reduced approx. .50 p. d.
Cowles Detergent Co. ....	Fords, salesmen various	Mostly S.	.....	.....	See Footnote <sup>2</sup> .	
Davey Tree Expert Co. ....		S.	.....	.....	.....	Cut out allowances for auto transportation.
Electric Storage Battery Co. ....	Salesmen select	S.	X	.....	.08 first 500 miles; .04 after average .064	Reduced from .10 and .05 respectively.
Estate Store Co. ....		S.	.....	X	.05	Reduced from .06.
Gordon, Gordon, Ltd. ....	Ford, Chevrolet, Chrysler, Buick	S.	X	.....	.06	Reduced from .08.
Hormel, Geo. A. & Co. ....	Ford, Chevrolet	Mostly S.	Some	Some X	.04 on both \$2.50 p. d. home; \$3.25 away & ret. same day	Reduced from .05.
Johns-Manville Corp. ....	Salesmen select	S.	.....	.....	\$4.00 away	
Keith, Geo. E. Co. ....	Buick, Hudson	Co.	.....	X	.057	1931—.057; 1930—.065.
Lennox Furnace Co. ....	Ford, Chevrolet	S.	X	.....	.05	Reduced from .06.
Lindemann, A. J. & Hoverson Co. ....	Salesmen select	S.	X	.....	.05	Reduced from .06.
New England Box Co. ....		S.	X	.....	.06	Reduced from varying rated between .07 and .10.
Nunn, Bush & Weldon Shoe Co. ....	Salesmen select	S.	X	.....	\$6 p. d. for full day	
Oriental Oil Co. ....		Co.	.....	X	.08	
Peaslee-Gaulbert Co. ....	Ford, Chevrolet	Co.	X	.....	.....	
Pillsbury Flour Mills Co. ....	Ford	Some each	For S.	For Co.	.0375 to .05	
Purina Mills. ....	Salesmen select	S.	X	.....	\$3.50 to \$5 p. d.	
Royster, E. S., Guano Co. ....	Ford Chevrolet, Pontiac	Co.	.....	X	.037 <sup>3</sup>	Reduced from .0409 for 1930.
S K F Industries, Inc. ....	Salesmen select	S.	X	.....	.08	Reduced from .10.
Toledo Scale Co. ....	Salesmen select	S.	X	.....	.05	Reduced from .07
United Drug Co. ....	Buick, mostly	S.	.....	X	.05349 <sup>4</sup>	Various reductions since 1925.
Upson, The Co., Inc. ....		S.	.....	X—out of fixed Gen. Exp. Allow.	.....	
United States Gypsum Co. ....	Ford, Chevrolet	Co.	.....	X	.035	Reduced from .10 to .07 on big car for occasional use of personal cars.
United States Rubber Co. ....	Ford, Chevrolet	S.	X	.....	Dept. Mgrs. or Salesmen \$2.50 to \$4 p. d.	Adjustments made on certain men.
Wahl, The Co. ....	Salesmen select	S.	X	.....	See Footnote <sup>5</sup> .	Slight reduction.
Whitman, S. F. & Son, Inc. ....	Ford	Co.	X	.....	.426	Includes Depr., Oper. and Maintenance; Insurance; Interest.
Pennzoil Co. ....	Ford and others	Some each	X	.....	.....	Mileage allowance based on average cost of car. Formerly flat monthly allowance covering all costs.
Spencer Heater Co. ....	Auburn	Co.	X	.....	.05	

<sup>1</sup>—Lower rates are allowed in headquarters towns than when working outside.

<sup>2</sup>—Payment is made according to a sliding scale, in three parts: flat sum per month, flat sum per mile, and payment for personal liability.

<sup>3</sup>—Make a straight depreciation charge of 1-36th of value each month. Losses and gains on trade-ins kept as part of auto expense.

<sup>4</sup>—Company pays its share (company versus personal travel) on a mileage basis, of depreciation involved when car is traded in, maximum value for new car being \$1100.

<sup>5</sup>—Allow 1c less per mile in territories where men average 75 miles or more per day.

Where the method of compensation is not a flat figure, but is on a commission basis, in order to determine whether or not the salesman is paid the equivalent of \$40 on each V-8 and \$30 on each 6, a spread of at least three months shall be used for accounting computation purposes.

The dealer shall subscribe annually to "Sales Manager's Service" and hold regular retail salesmen's meetings as designated in the service, maintain a current prospect file, provide each salesman with the regular selling equipment of the Oakland Motor Car Company and adequate current model demonstrators, require each salesman to furnish him with a daily report and meet the requirements of the plan as they may be changed from time to time by the company.

In addition to the foregoing conditions and qualifications, the salesman is required to pass a standard examination which will be given by the Oakland Motor Car Company's district representative. This examination will include a road demonstration, a salesroom demonstration, a written examination on Pontiac V-8 and 6 cars, insurance protection as provided by the General Exchange Insurance Corporation, the appraisal and sale of used cars, and such other subjects as the Oakland Motor Car Company may decide should be thoroughly understood by retail salesmen.

The salesman must also keep a record of his work, make a daily

report, and keep such records available for inspection at any time. Where a salesman's employment with a dealer is terminated, the salesman will be granted thirty days' grace in which to secure a position with another Pontiac dealer. Where a salesman leaves the employ of any Pontiac dealer and does not secure a position with another Pontiac dealer, no bonus will be paid after the termination of his employment, the bonus reverting to the Oakland Motor Car Company. Upon leaving the employ of the dealer, the salesman must notify the zone sales office of the Oakland Motor Car Company in writing within ten days of such termination in order to be eligible to receive his bonus if re-employed by another Pontiac dealer within thirty days.

The benefits of the plan are exclusively limited to retail salesmen (partners—active or silent—, stockholders in a dealership, and used car or retail sales managers are excluded), and nothing in this plan is to be construed by dealer or salesman as in any way creating any agency liability or relation as between the dealer, retail salesman and the Oakland Motor Car Company.

It is explained that this bonus plan "is tendered the Pontiac retail selling organization as a voluntary contribution on the part of the Oakland Motor Car Company for the purpose of building up 'esprit de corps' ". It is especially interesting because it makes participation in the bonus plan contingent upon continuous study and sales training on the part of the salesman, and continuous instruction and supervision on the part of the dealer.

\* Described under Section II on sales training.

## Changing Over to Straight Commission from Other Types of Payment Plans

(Frederick Stearns & Company)

When early this year Frederick Stearns & Company changed over from a salary and expense arrangement, which had been in effect seventy-six years, to straight commission, they arranged the new proposition so that it encourages the full cooperation of the salesmen and at the same time gives them certain guarantees as to earnings. Under the new arrangement each man who sells as much in 1932 as he did in 1931 will receive as much remuneration as he did last year. If he does not sell as much he will be paid less.

The new plan has three objectives: to reduce selling costs, to encourage the men to push the most profitable items in the line and to help the company keep faith with the salesmen.

Stearns sells five lines to three classes of trade. The three lines pay different rates of profit. Under the new compensation plan, a commission rate is set up on each line and on each class of trade; rates vary, however, among the territories. If a man earns \$3,000 on commission and his 1931 earnings were \$4,500, the company gives him a cash allowance (provided he sells the same volume of goods) of \$1,500. This cash allowance will be gradually reduced until the salesmen get on a complete commission basis. The company has guaranteed that commission rates will not be reduced. If a salesman sells more this year than he did last he is paid commensurately more than he earned last year.

Each man is given a drawing account equal to 75 per cent of his previous year's salary and expenses, payable twice a month. Settlements are made monthly. Salesmen pay their own expenses.

William E. Bomar, sales manager, reports that the new plan, when presented to the salesmen, was received with much enthusiasm—which fact sales executives in other lines will recognize as being distinctly opposed to the usual reaction where men are changed over from salary to commission arrangements.

## A Commission Plan that Protects Collections and Guarantees Salesmen Safe Incomes, Too

A large cigar manufacturing company, last year, inaugurated a plan which is being continued during 1932—a plan designed to meet the needs of a period when credit losses were abnormally heavy and collections unusually slow.

Salesmen, up until last year, had been on a straight salary basis. At the beginning of 1931, 1 per cent of each salesman's 1930 volume was deducted from his salary, and he was given a drawing account and 1 per cent commission on his collections. For example, if a salesman did \$60,000 worth of business in 1930, the company deducted \$600 and paid him, if he had earned \$3,000 a year, \$2,400 plus 1 per cent of his collections. This placed the salesman in a position whereby he could earn as much in 1931 as he had been in former years, provided he sold as much and collected for it—with an additional chance for increasing his income.

The sales manager reports that "this change had a great deal to do in helping us collect money due us, and placed in the minds of our selling organization the importance of collecting as well as selling."

## All-Around Performance the Result of this Novel Bonus Plan

(Shanferoke Coal and Supply Corporation)

Through making the amount of a salesman's bonus contingent upon factors other than mere volume of sales, the Shanferoke Coal Company encourages well-rounded salesmanship. Beginning January 1, 1931, the company set aside a share of the profits of each month's operations for "incentive compensation." When the books were closed at the end of the fiscal year, this fund was distributed among the salesmen based on the number of points each man had earned, according to the following system:

Plus a certain number of points for each new customer obtained during the period.

Minus a certain number of points for each customer lost during that period.

Plus or minus a certain number of points for per cent of increase or decrease in profits in each section and district.

Plus or minus a certain number of points for increase or decrease in tonnage.

Plus a certain number of points for the general development in the individual sales representative (that to be determined by the executives of the corporation).

Arthur T. Goodenough, president of the company, states that, after the first year's try-out, he is more than satisfied with the way the plan accomplished its objective. "If I were to organize a new company tomorrow," he says, "I would do away with all salary and commissions and work on this plan alone." The principal advantage is that this method of operation is directly related to profits, and encourages well-rounded selling activity on the part of the salesman.

## A Payment Plan that Encourages Teamwork among Salesmen in the Same District

(SKF Industries, Inc.)

Formerly each salesman for SKF in a district was given an exclusive territory. His commission depended upon the business he got from that territory. This plan of operation had two disadvantages: the salesman became very jealous of his territory and was in no mood to help other salesmen working in the same district office; and the compensation derived from selling a machinery line was very uneven from year to year.

Under the new plan the salesman still works his own territory, but he also gets a share of an overwriting commission on all of the business done by his district office. Thus he becomes one member of a closely knit sales unit. The more he does to cooperate with his fellow salesmen, the more his district sells and the more money he makes. He still has the incentive to work his own territory intensively, because he is responsible for his share of the district's quota.

The plan works well during periods when general business conditions are "off." The salesman takes his share of less business, and his earnings are largely proportionate to the sales made by his company in the district. If the company's sales increase, the salesman's earnings increase likewise.

## Compensation that Answers the Split-Credit Problem among Salesmen

(The Conover Company)

Starting with salaries as the basis of their compensation plan, Conover supplements these with commissions and bonuses to provide extra incentive. Before they worked out a system of compensation that was considered fair by all concerned, Conover had followed the traditional method of paying commissions only to the salesman who actually closed the sale. Since their functions include securing leads, booking home demonstrations (of portable dishwashing machines), making home demonstrations and closing sales, and not all four steps are commonly accomplished by one individual, the sale-closing commission system did not work out satisfactorily. The lead might issue from a district office remote from the prospect's residence; the home demonstration might be booked by the salesman stationed on the floor of the salesroom; the home demonstration might be made and the sale closed by a third salesman after the sale had been developed to this point. The following plan of commissions and bonuses has been found to work to the complete satisfaction of all parties participating in the sale:

1. Credits are awarded on the basis of one-eighth of a sale for getting a lead, three-eighths for booking a home demonstration, two-eighths for making a home demonstration and two-eighths for closing a sale.

2. A commission of five dollars is paid on each user sale or its equivalent under the above credit system, provided the resale worker makes three or more sales or their equivalent during the month.

3. Resale workers who make three or more user sales or their equivalent during the first half of the month receive a bonus of \$2.80 on each of these sales made during the first half of the month.

4. Resale workers who make three or more user sales or their equivalent during the second half of the month receive a bonus of \$2.80 on each of these sales made during the second half of the month.

5. All resale workers are assigned individual quotas each month and those who make their quotas receive an additional bonus of \$2.80 on all sales made during the entire month.

6. On all user sales exceeding six, made in one month, the resale worker receives a straight commission of 20 per cent of the net retail selling price, but no bonuses.



## Section V.

# Controlling Salesmen in the Field

### An Improved Field Control Plan for Salesmen that Simplifies Follow-up

(Accurate Parts Manufacturing Company)

Some months ago the Accurate Parts Manufacturing Company put into operation a relatively simple plan for keeping track of orders from individual salesmen, for encouraging missionary calls, keeping mailing lists up to date and providing a check-up of sales developments in each territory. This plan, after a test period of operation, was felt to be highly successful, but it has since been refined and improved until it constitutes a prime factor in a sales plan which has produced volume increases even during depression months. The refinements were designed to furnish a separate record of each call; to concentrate selling effort; to furnish the salesman with facts about the exact status of each account in his territory, and to provide a relentless follow-up on any business that might be hanging fire.

"The new plan," reports the company, "grows more and more valuable every day as an accurate, dependable, flexible, adaptable guide for the salesman in the territory and for follow-up from the home office. Furthermore, it is almost priceless to the new salesman who, when going out into the field, can quickly and easily familiarize himself with the exact conditions there as chronicled by his predecessor and followed up from the home office. Last year was the biggest year we ever had, but this year, in spite of the depression, we show a 12 per cent increase in sales and we're confident that the new sales information sheets played a very important part in this increase."

Here is the way the plan operates:

"The new information sheet, letter size, printed on 32-pound ledger stock, to stand plenty of rough handling, was made to serve as an individual record of every customer, prospect and desirable account in each territory. The sheet is divided into five equal sections; the lower part subdivided to cover a two-year record of sales, month by month and line by line; the upper four sections, identical in size, ruling and listings, to cover four separate calls made by the salesman on the same account—the lefthand side of such sections intended for the salesman's remarks and the right-hand side for office use. (See illustration, page 338.) The reverse side of the sheets was left blank for such extra notations as the salesman may want to make.

"The same sheet was used for customers and prospects. In the case of customers we transferred the exact record of sales as taken from our ledgers, month by month and line by line. In the case of prospects we transferred the information from the prospect cards which show the lines each prospect is interested in, competitive lines being handled, and various dates and types of follow-ups. In addition, we listed the names of new organizations as taken from various sources with the notation to the salesman to investigate and report possible potentialities.

"To provide a means for checking outgoing and incoming sheets and to serve as duplicates in case the originals were lost or mis-carried, we had additional sheets printed on plain white stock, which carried notations made by the salesman or the office—but not the sales record, because such could be easily copied from the regular sales card. This gave us an accurate check on all sheets being returned by the salesman and enabled us to request definite disposition of any sheets missing.

"Slight changes were made in the prospect follow-up file so that desirable accounts could be graded and definite, specific follow-ups could be instituted. This, of course, necessitated extra clerical work, but here is what we gained:

"1. It eliminated guesswork on the part of the salesman. He knew at all times just exactly how much a given customer was buying and provided himself with a definite, accurate record of sales for every month and for every line. This enabled him to direct his sales effort into the most productive channels and served as a distinct boost in his volume of sales. Furthermore, it gave him unmistakable signs of slippage or inactivity, and made it easier for him to concentrate his efforts wherever they were most needed.

"2. It cut down alibis to a remarkable degree. It was fairly easy to make glib excuses and find a dozen and one plausible reasons why a certain sale was not made, but when the same sheets came back and the old excuses stared him in the face as put down in his own handwriting, the salesman quickly realized how

accusing such reports grew and quickly changed his tactics by actually trying a little harder each and every time.

"3. It gave us a closer check-up on every call made by the salesman because there was a separate sheet for every call, and because each report could be easily classified, segregated, passed or questioned.

"4. It enabled us to get at the salesman so much sooner and with more telling effect because each sheet in itself was a tell-tale record of just exactly how each and every call was handled. Furthermore, the earlier record of previous calls made served as definite check in refuting or substantiating former activity.

"5. It forced us to be on our own toes and follow each sheet and each request closely, because the same sheet was returned to the salesman, and wherever his notation appeared there had to be a corresponding entry on the opposite side, showing when, how and what we did. And salesmen never miss the chance to take a "poke" at the home office whenever the opportunity presents itself.

"6. It served as a definite check on the number of calls made by the salesman on any given account, and thereby quickly revealed overlooked and overworked spots in his territory. It also checked fruitless calls in sections where potential business warranted only one trip a season.

"7. It simplified and at the same time concentrated our efforts in follow-up, because—due to the flexibility of each individual report—it was easier for us to group, classify and segregate the approach so that the follow-up could be adapted more closely to the specific case.

"8. It killed the fancy notions in the minds of the salesmen regarding certain pet accounts, which were supposed to get extra privileges, because the actual month-by-month record of sales easily disclosed the status of each customer and his actual value in dollars and sales to the salesman and to the company.

"9. It encouraged missionary calls, because each returned sheet had to show a date of call and the result of such call.

"10. It eliminated deadwood from our files, yet it prevented the indiscriminate removal of names, because each sheet bearing the salesman's "remove" or "kill" notice was filed and came up periodically for an airing. This served both as check on the salesman and a sure means of reviving contacts, which, because of certain changes in the territorial set-up or in financial standing, became desirable outlets."

### Selective Routing of Salesmen—Working Prospects According to Their Value

With the increasing recognition being given selective selling as a sound principle of sales management, a number of companies have applied selectivity to their plans for routing salesmen—and with considerable success. A large rubber company, employing over 1,000 men, has worked out such a plan which has wide applicability to problems in other lines of business.

While the routing plan is controlled by a department at the home office, the responsibility for the execution of its details and supervision is placed on the branch manager.

The procedure for setting up the plan was as follows:

The branch manager called each salesman into his office and spent an entire day working on the routes.

Each salesman's territory was comprised of anywhere from two to twenty counties, dependent largely upon the part of the country in which the salesman was located. Each man traveled by automobile—the company's property.

Each man was headquartered in his territory and more often than not in the largest town, although there were exceptions where the largest city was not conveniently located geographically for consistently efficient sales work. In these cases the headquarters were made in a fair-sized county seat centrally located.

At the interview the branch manager gave the salesman full details of the plan and the salesman was impressed with the fact that the company expected him to route himself as far as sequence of towns was concerned, but the general policy of the plan must be adhered to. The work of laying the route out then proceeded.

Theoretically the salesman leaves his headquarters town Monday





morning on Route 1 and proceeds along a route taking in towns on a loop that brings him back the following Friday night or Saturday morning—often Friday night, because, if the largest account in the territory is in the headquarters town, Saturday morning may be devoted to assisting this account.

In making this theoretical route on the map, however, the element of conservation of time was considered. Prior to the salesman's visit to the branch, the branch manager prepared a series of lists—one list for each town in the territory. This report is known as the Town Record. On each sheet to a town a list of customers and prospects were entered under the head of Town. These customers were classified A, B, or C, and this classification determined the value of the customer or prospect to the company—the salesman cooperating with the branch manager by actually classifying the customers from knowledge gathered on previous visits.

Prior to operation of the plan—and this is an important point—the salesman, under the old system of "hit and miss" calling, would visit every customer (regardless of size) in a town, with the result that a great amount of necessary time was spent in each town, whereas under the operation of the new system regulated by the classification of A, B and C customers, each customer is called upon only as often as is indicated by his importance to the company.

For instance: A customers must be called upon every thirty days; B customers every sixty days; C customers every ninety days.

If a town, therefore, has twelve customers and prospects, twelve calls must be made every visit under the old plan. Under the new plan let us assume the town might have two A or important customers; six B customers and four C customers.

In a period of twelve months under the old plan—assuming the territory was covered every thirty days—the salesman would make 144 calls in that town. But under the new plan he would make only seven or eight calls each trip, or approximately 84 to 100 calls in a year, yet he would be giving a sufficient amount of time to each customer or prospect.

In other words, the "A" customers would be called upon twelve times every year; the "B" customers six times a year and the "C" customers four times a year.

The salesman made up his route from the map and the information before him on the Town Record sheet, combined with customer's classification, estimating the time that would be consumed in each town.

He made up Route 2, beginning the following Monday morning and still another route for the following week, and Route 4 for the fourth week.

In this way he planned four loops, starting each Monday morning from his headquarters town, arriving home Friday night or Saturday noon or night. He has four distinct routes, each covering a week, but he calls only on his customers according to classification.

It was necessary in some territories, particularly in the west where distances were greater between towns, to allow five weeks, and in exceptional cases six weeks, to cover a territory. The same rule, however, applied.

The Town Record sheet provides "call" columns. The classification of the customer is shown in the first column. The name and address of the dealer in second and third columns. The credit limit and estimated volume are entered in the next two columns. This information is entered by the branch. The remainder of the sheet is reversed for salesman's entry of calls and in this he is guided by the classification of the customer.

Advantages of the system are reported to be: more profitable development of the best accounts, lower sales costs through reduced investment in cultivation of "chicken feed" accounts and definite savings in salesman's time.

## A Prospect Record System that Makes Every Salesman Plan Every Day's Work

(Oakland Motor Car Company)

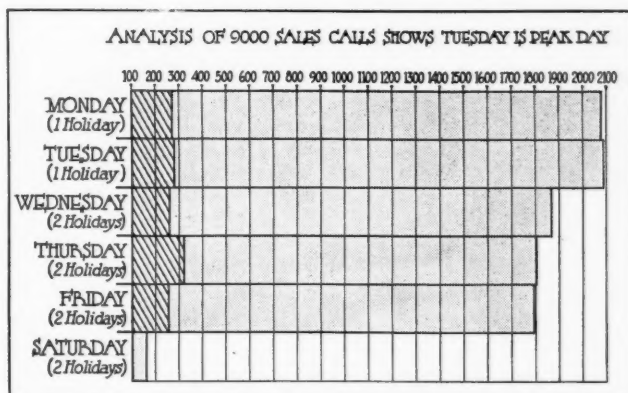
The Pontiac one-card system (for dealers' use) is simple, easy to operate, provides the machinery for regular follow-up and gives close control over the operations of the men in the field. It has wide adaptability to other lines of business, particularly to companies selling any type of specialty product. When the salesman obtains a new prospect, he fills out a prospect card (see page 338), indicating the results of his interview. After a check to show the prospect really is new, the office makes out a card which is an exact duplicate of the one turned in by the salesman, except in color. The salesman's copy, which is white, is used as the follow-up card and is filed in the date section of

a simple cabinet until the time arrives for the next call, when it is again handed to the salesman as a reminder of his appointment.

The card which has been made out for the office (pink copy) is placed in the alphabetical section of the file—where it remains except while the salesman has the duplicate copy out of the file, at which time it is held in the section marked "Cards Out." When the salesman returns his card the result of his interview is copied onto the office card.

The Daily Report Envelope (see illustrations, page 338), back and front of the envelope), which is part of the one-card system, gives the dealer an excellent picture of how well the salesman works. Each man's cards are handed to him in one of these envelopes as he starts out in the morning. The following morning he returns the cards in the same envelope, reporting the results of his previous day's work and outlining his intended activities for the day.

For the dealer's use, Pontiac provides a "Salesmen's Daily Record" chart on which are posted the daily results of the sales activity of each man. Space is provided for the name of each man, his monthly quota of Six's, Eight's and used cars. Under each day of the month the deliveries of new and used cars, appraisals, demonstrations and new prospects are recorded. There is a chart for each month. Charts are 25"x38".



This analysis of 9,000 sales calls, made at the offices of one of the country's largest oil companies for the year 1930, shows Tuesday to be the peak day. The small number recorded for Saturday is explainable by the fact that this concern practically closes its purchasing office on that day. The darkened sections show the calls made between July 4 and Labor Day, Thursday being the peak day during the summer.

## International Magazine's Territories of Equal Value, with Routing Plans

The Marketing Division of the International Magazine Company has divided the United States into twenty equally valuable sales territories called zones, with route maps for salesmen, both by railroad and motor road. Each rail travel map gives a route of each zone or section of a zone, and shows the comparative status of each primary and secondary traveling center in the zone. The railroad, bus or electric line which gives the best service between the towns is designated, as is also the travel time in fractions of hours. Opposite each city is an index number indicating its relative potential value to the zone. Similar information is given on the maps designed for motor travel.

Twenty-five factors of wealth, purchasing power, standards of living, etc., were used in breaking down the nation into the twenty equal zones. Address, Marketing Division, International Magazine Company, Fifty-seventh street and Eighth avenue, New York City.

On many of the plans and policies discussed in the six sections of this supplement, **SALES MANAGEMENT** has additional information. Subscribers are invited to query the editors on any material of special interest. Write to Readers' Service Bureau, 420 Lexington Avenue, New York City.

## These Newspaper Route Lists Will Help Your Men Work City Markets

Manufacturers whose salesmen are likely to be working according to "skip stop" methods without giving adequate attention to all possible outlets for their products in the various metropolitan areas will find the dealer route lists, published by the newspapers, highly valuable, both as a check against coverage, and as bases for the more efficient routing of sales calls. These route lists can be used in conjunction with a home and branch office map system to provide a continuous and systematic check-up and control of the men in the field. Below are listed the papers in various markets, together with coded information about what lists and other materials are available from the promotion departments. Inquiries can be addressed direct to the papers or to the Readers' Service Bureau, SALES MANAGEMENT, 420 Lexington Avenue, New York.

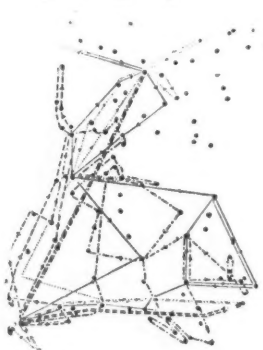
Akron—*Beacon Journal*—G-D  
Albany—*Times Union*—G-D  
Atlanta—*Constitution*—G-D-DByN  
Atlanta—*Journal*—G-D-DByN  
Baltimore—*News-American*—Mp-G-D  
Birmingham—*News-Age-Herald*—G-D  
Boston—*American-Advertiser*—Mp-G-D  
Bridgeport—*Post-Telegram*—DtMp-G-D-M  
Buffalo—*Evening News*—SRMp-G-D-M-C-SG  
Buffalo—*Courier-Express*—SRMp-G-SGr  
Burlington—*Free Press*—G-D

## You Can Save

Salesmen's Time, Mileage  
and Money with

### NaMapCo Washable Maps

The possibilities in saving time, mileage and money, and increasing sales by practical use of maps are graphically shown in these actual routing diagrams of one salesman's territory, one laid out by salesman, the other by sales manager using maps.



**Salesman's Own  
Routing**

Piling up mileage in parts of territory, wasting valuable time in excessive travel, missing many towns entirely, overlooking and neglecting good business prospects.

Savings and added profit from such use alone will quickly pay map equipment cost. Multiply by many territories and salesmen, add benefits from other uses, and convince yourself of the economic advantage of maps, in higher sales efficiency and increased profits.

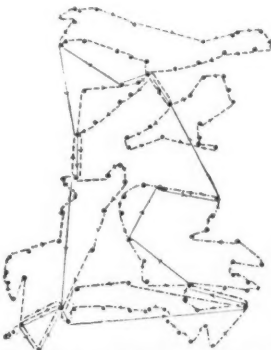
*Tell us what you sell, how and where, and we'll show you the kind of a map system you should have and how you can use it effectively and profitably.*

## NATIONAL MAP COMPANY

Map Makers Since 1885

32-2 Murphy Building

Indianapolis, Ind.



**Standardized Routing**

Total annual mileage reduced by 9,400 miles, \$360.00 travel expense saved without considering time, with new business from 28 of 47 new towns covered.

## Key to Outlet Lists Available

A—Automotive	M—Meat
B—Baking	Mp—Map
C—Confectionery	P—Paint
D—Drug	PU—Public utilities
DS—Department stores	R—Radio
DtMp—District map	RMP—Route map
DByN—Drug buyers names	SGr—Sectionally graded as to types of stores
EE—Electrical equipment	SRMP—Sectional route map
G—Grocery	T—Tobacco
GDIGr—Drug and grocers individually graded	Var—Various type of lists available
GIGr—Grocers individually graded	X—Number of windows available in store
H—Hardware	

Camden—*Courier-Post*—G-D-GIGr  
Canton—*Repository*—G-D-GIGr  
Chattanooga—*News-Sentinel*—G-M-Ds  
Chicago—*Daily News*—G-D-DGIDr-Var  
Chicago—*American*—RMP-G-D-H-R-P-IGr  
Chicago—*Tribune*—DtMp-Var  
Cincinnati—*Enquirer*—G-D-GDIGr  
Cincinnati—*Post*—RMP-G  
Cincinnati—*Times Star*—RMP-G-G-T-R-H-EE-M  
Cleveland—*Plain Dealer*—RMP-D-DIGr-Var  
Cleveland—*News*—DtMp-G-SGr  
Cleveland—*Press*—G-M-RMP  
Columbus—*Citizen*—Mp-G-D-M-C-T-GDIGr  
Columbus—*Dispatch*—Mp-G-D-C-T  
Columbus—*Ohio State Journal*—G  
Dallas—*Times Herald*—G-D  
Dayton—*Daily News*—G-D  
Denver—*Post*—G-D  
Denver—*Rocky Mt. News*—DtMp-G  
Des Moines—*Register-Tribune*—Mp-G-D (ent. state)  
Detroit—*Free Press*—G-D-M  
Detroit—*Times*—RMP-G-D-GDIGr  
El Paso—*Herald-Post*—G-D  
Erie—*Dispatch Herald*—RMP-G-D-C  
Fort Worth—*Star-Telegram*—G-D-R-DS  
Gary—*Post-Tribune*—G-D  
Grand Rapids—*Press*—G-D  
Hartford—*Times*—RMP-G-D  
Houston—*Post*—G-D-DByN-DIGr-X  
Houston—*Chronicle*—G-D-DByN  
Indianapolis—*Star*—RMP-G-D-GIGr  
Janesville—*Gazette*—G-D-A-B-T-C-DS-D-EE-PU-G-H-M-R  
Kansas City—*Star*—RMP-D-G-SGr  
Knoxville—*News-Sentinel*—G-D-H-DS  
Long Beach—*Press-Telegram*—Mp-G-D  
Los Angeles—*Examiner*—RMP-G-D  
Los Angeles—*Herald-Express*—DtMp-G-D-X-GDIGr  
Los Angeles—*Times*—DtMp-G-D  
Louisville—*Courier-Journal*—G-D  
Miami—*Daily News*—G-D  
Milwaukee—*Journal*—DtMp-G-D-DS-DByN-M  
Milwaukee—*Sentinel*—RMP-G-D-M-DByN  
Minneapolis—*Tribune*—Mp-D-DByN  
Nashville—*Banner*—G-D-B-T  
New Bedford—*Standard-Mercury*—G-D  
New Orleans—*Times-Picayune*—G-D-X-DByN-GIGr  
New York—*American*—G-D  
New York—*Journal*—Mp-G-D  
New York—*World-Telegram*—RMP-Var  
Oklahoma City—*Oklahoman & Times*—Mp-G-D  
Oakland—*Tribune*—G-D  
Omaha—*World Herald*—G-D  
Omaha—*Bee News*—Mp-G-D  
Peoria—*Journal Transcript*—G-D  
Peoria—*Star*—G-D-M-H  
Philadelphia—*Bulletin*—Mp-G-D-H-A-T-Var  
Phoenix—*Republic Gazette*—Mp-G-D-DByN  
Pittsburgh—*Press*—RMP-G-D-DS  
Pittsburgh—*Sun-Telegraph*—RMP-D-G-Var  
Portland—*Journal*—G-D  
Portland—*Oregonian*—G-D  
Providence—*Journal-Bulletin*—Mp-G-D (prac. entire state)  
Rochester—*Journal-American*—RMP-G-D-R  
St. Louis—*Globe Democrat*—RMP-G-D-GIGrB-SH-C-R-DrG-etc.  
St. Louis—*Post Dispatch*—RMP-G-Var  
St. Paul—*Dispatch Pioneer Press*—RMP-G-D  
St. Petersburg—*Independent*—G-D  
St. Petersburg—*Times*—G-D  
Salt Lake City—*Tribune-Telegram*—ZMp-G-D  
San Antonio—*Express-News*—G-D  
San Francisco—*Chronicle*—RMP-Var  
San Francisco—*Examiner*—RMP-G-D-GIGr  
San Francisco—*News*—G-D  
Seattle—*Times*—RMP-G-D-H-C-T-Fur-DByN  
South Bend—*Tribune*—G-D-C-H-DS  
Spokane—*Review-Chronicle*—RMP-G-D  
Springfield—*Union-Republican-News*—G-D-C-T  
Syracuse—*Journal-American*—Mp-G-D  
Syracuse—*Post-Standard*—Mp-G-D  
Tampa—*Tribune*—Mp-G-D  
Toledo—*Blade*—G-D-H  
Washington—*Post*—G  
Washington—*Eye, Star*—RMP-G-D  
Washington—*Times*—Mp-G-D  
Worcester—*Post*—Mp-G-D  
Youngstown—*Vindicator*—G-D-DByN



## Section VI.

# Fifty Plans for Increasing the Productivity of Salesmen

### Getting Salesmen into the Field Early

(Petroleum Heat and Power Company of California)

The Petroleum Heat and Power Company of California, finding that salesmen had a tendency to hang around the office at the conclusion of morning sales meetings, cured this pernicious habit by the simple expedient of offering a \$5 prize to the man who brings in the first order of the day. Now the men can scarcely wait to get into the field. Practically every salesman on the staff has at one time or another won this \$5 prize, indicating that the idea has wide appeal.

### Recipes to Sell Institutional Food Buyers

(Procter & Gamble, General Foods, and others)

Manufacturers of food products who wish to build business among restaurants, hotels, hospitals and other institutions will find an invaluable sales help in printed tested quantity recipes which involve the use of the product sold. These are printed on 4"x6" cards for vertical filing and many of them carry illustrations of the finished dish and suggestions as to how the dish should be listed on menus. According to an authority on the institutional market, recipes must meet the following requirements: (1) Dish must be easily made; (2) must sell at a profit; (3) be served easily; (4) be made of easily obtainable materials; (5) be seasonable; (6) make usable leftovers.

### Pay-for-Leads Plans

(Williams Oil-O-Matic and others)

Many companies selling specialty products have found that present users can be made a prolific source of leads if they are in some way rewarded for turning in such leads. Williams Oil-O-Matic offers users 200 gallons of oil free for every lead turned in which results in a sale. Another oil burner company pays \$5 for every lead that results in an order. Concerns in other fields follow the plan of calling back on users, to get the names of their friends and acquaintances, and giving something like a brush, thermometer or other household article in return for information.

### A Photostat Check Idea That Works

A leading business magazine faces the problem, in selling advertising in its pages, of getting across to the prospect a picture of its class circulation and an appreciation of the fact that the paper is read by men who are at the very top of American business. In order to sell this idea the magazine salesmen carry bunches of photostats of checks (life size) which have been sent with current subscription or renewal orders, personally signed by men of national reputation. There is a peculiar fascination in running through such a bunch of checks, studying the signatures of the men who are the real "Who's Who" of American business, and the fact that these men often send personal checks to the magazine in question is striking proof of its reader interest in "the high places."

### Pad and Pencil Sales Presentation

(Frederick Stearns & Co.)

What William E. Bomar, sales manager, Frederick Stearns & Company, calls "the most successful sales presentation Astring-O-Sol salesmen ever used" consisted of ten sheets of paper 8½"x11", eight of which bore a small amount of printing or a simple picture or two, and a red pencil. A dime's worth of such equipment was enough to last a salesman several days.

This presentation is really a partially standardized sales talk; the material already on the sheets acts as a guide to the salesman, and he fills in additional figures and charts with his red pencil. The effectiveness of it lies in the fact that its novel combining of oral and visual selling invariably got a druggist to listen to the whole sales story in connected fashion and brought him to a logical strong climax.

The presentation begins with the story of the size of the market for an oral antiseptic and proceeds through an interpretation of

this information in terms of sales and profits for the druggist, emphasis of the long-profit idea in connection with Astring-O-Sol, merchandising of the company's advertising program and explanation of the complete five-point retail merchandising plan—arriving finally at the sheet on which is to be figured the amount of stock the druggist should carry. This idea is so simple, so inexpensive and so widely applicable to other lines that it is recommended for special consideration. Details of the presentation plan will be found in an article which appeared in SALES MANAGEMENT for June 20, 1931, entitled "Pencil Presentation Piles Orders for Astring-O-Sol."

### Classified Lists of Users

(Rex Cole, and others)

This simple idea deserves to be used far more widely than it is. Users are classified geographically by Rex Cole, for example, so that a salesman selling in any suburb of New York can readily exhibit a list of the names of users who live in the prospect's immediate neighborhood, and are therefore probably personally known to the prospect. Along similar lines, a company manufacturing heating equipment classifies its users by profession—so that a dentist, for instance, can be shown lists of names of other dentists in the city who are purchasers. A company manufacturing industrial materials handling equipment not only classifies its industrial users by industry, but presents a picture of each installation made in the plant of a widely known company.

### Systematic Week-ahead Planning

A simple weekly plan sheet for laying out the salesman's work in advance has proved highly productive for at least one manufacturer. Across the top of the sheet is printed "Plan for Week Ending \_\_\_\_\_, 193..." Days are listed down the left-hand side, and across the top are the heads, "Town," "Dealer," "Prospects" and "Collections." The salesman fills out this sheet, sends one copy to the home office to serve as a route and mail list, and keeps the other himself. If the office writes him to make a collection call, he jots it down on his next week's call list. His planning sheet thus becomes a memory jogger, a management tool and a route list all in one. Such a system combats what is probably the most wasteful of all faults on the part of salesmen: their tendency to work at random, to jump hither and yon—their failure to work according to plan.

### Endorsements of Well-known Institutes

Particularly in cases where the product itself or the company behind it is young or is not widely known, reproductions of official endorsements—such as those issued to qualified products by *Good Housekeeping Institute*, *Delineator Home Institute*, etc.—help to accomplish a favorable introduction and win the confidence of the prospective purchaser. Premier Vacuum Cleaner salesmen carry facsimiles of such endorsements in their sales kits as part of their standard selling equipment.

### Teaching Salespeople the Value of Time

(F. E. Compton & Company)

Compton's employ about 1,200 women who sell direct, on straight commission. This simple statement, on the back of the form supplied for daily reports of calls and demonstrations, is an effective method of showing the saleswomen how the efficient use of their time makes more money for both the company and the salesperson:

"ONE HOUR WASTED EACH DAY MEANS A DAY WASTED EACH WEEK—TWO MONTHS WASTED EACH YEAR!"

"The object of this daily record is to help you increase your own efficiency.

"As your employer, you must be exacting—demand an accurate daily accounting of every hour of your time. Be systematic in your method, persistent in your efforts and you will be surprised at the gradual but positive increase in your remuneration.

"Work according to the following program as a basis for minimum business. If you will but carry out this program enthusiastically and conscientiously for a period of a year, you will be well on the road to financial independence. Compton workers who are making over \$100 a week every week are following this plan:

"Six working days per week, five complete demonstrations (not calls) per day, making thirty complete demonstrations (not calls) per week and 120 complete demonstrations (not calls) per month.

"Out of 120 complete demonstrations, one-half, or sixty, will be favorable. Two-thirds of these, or forty, will be salable. Three-fourths of these, or thirty, should be orders.

"Average commission, figuring that 50 per cent will be King Francis, \$420 per month, \$5,040 per year.

"That is what you can expect when you enthusiastically and conscientiously make at least five complete demonstrations a day, six days a week. The first month may not show it—but as surely as 2 plus 2 equals 4, the law of averages will bring this percentage in a year's time, for these figures have been taken from our records of what is being done."

## Miniature Models as Selling Helps

*(American Pulley Company)*

American Pulley Company manufactures pressed steel hand trucks of an improved design. They often meet buying resistance because the product is radically different from the old type of wood truck which has been fairly standard for years past. To assist the salesmen in interesting dealers and in contacting large fleet owners, exact scale models of different types of American trucks were made for the salesmen to carry. These models stand only eleven inches high, yet are exact in every respect, even to the minute lock washers on the tiny bolts. Hence, even in casual sales contacts, American Pulley does not neglect to impress the distinctive design of their product upon the prospect. The buyer to whom one of these models is shown invariably handles it, operates it, and manifests interest in it.

## Unsigned Bonus Checks as Stimulants

*(Oakland Motor Car Company)*

A number of dealers in Pontiac cars have successfully used the idea of writing out, in advance, checks (unsigned) for bonuses which the company will pay on each used car sold during a given month. Checks are made out to each salesman for the amount of the bonus on each 60-day car sold; as a man sells a 60-day car, he brings in the check for the dealer's signature. Having the check with him is a constant reminder to each salesman of what he has to do to get the money. The same idea has been applied to new cars on the basis of a quota for each salesman, the check being signed when the salesman delivers the first car above his quota. This is an excellent incentive stunt because it so clearly visualizes the idea of reward for effort.

## Proving Novel Construction Features

*(The Autopoint Company)*

When Autopoint salesmen introduced to the trade a new fountain pen of which the principal sales point was increased ink capacity, they ran into an unexpected objection: dealers said, "Your fountain pen hasn't as long a nib as Blank's. People like to see a lot of gold. It makes them think they are getting more for their money." The Autopoint man's answer was that their nib extended farther back into the neck, and so made the pen more substantial. As the campaign progressed, however, this objection became a serious factor of sales resistance. A suggestion which was made at a general sales meeting finally solved the problem. X-Ray photographs were taken of the pen. These photographs not only effectively met the objection encountered, but they proved a novelty which excited dealer interest.

## The "Survey" Plan of Approach

*(Timken Silent Automatic Company)*

In many lines sales success hinges upon the salesman's ability to obtain a full and accurate account of the prospect's present equipment. Timken has an excellent plan for making a "heating survey." This same survey, when finished, becomes an effective selling presentation for a Timken burner. A free heating survey is offered to the prospect while he is still burning coal, to point out the desirability of repairs, and to show, if possible, the way to reductions in heating costs with either coal or oil. These surveys are made in an honest and sincere manner, and a copy of the report given to the home owner.

The form used for the report provides blanks to be filled in with data about the home owner's present equipment and its performance, with an estimate of present costs. On the opposite page is a form for a Timken proposal, showing Timken costs.

This survey is not only, in itself, an effective salesman, but the information gleaned about the prospect and his home during its making almost always gives the salesman the clue to the proper sales approach.

## Sales Success Stories to Inspire Salesmen

Standing orders with SALES MANAGEMENT for reprints of the one-page "selling incentive" features they publish are being used to bolster the morale of depressed salesmen by such companies as:

The American Rolling Mill Company, Middletown, Ohio.

United Steel and Wire Company, Battle Creek, Michigan.

RCA Radiotron Company, Harrison, New Jersey.

The Baldwin Piano Company, Cincinnati, Ohio.

Richfield Oil Corporation, New York.

Listed below are titles of the most popular of the features, with the dates of the issues in which they appeared:

"Save the Day"—August 22, 1931.

"You're the Doctor"—September 5, 1931.

"There's Money in Doorbells"—December 19, 1931.

"Till the Untilled Places"—January 16, 1932.

## Putting Sport into Selling

*(Coffee Products Company of America, Ltd.)*

E. L. Weaver, director of sales of Coffee Products, cashes in on the play spirit of his salesmen by substituting the game idea for the hard work idea. According to Mr. Weaver, the practice of fostering the play spirit in their work has roused the interest of his men to such an extent that even mediocre men are constantly developing new accounts and working full time.

"We try to instill into our salesmen the idea that every customer's store serviced by them can be compared to a nickel-in-the-slot machine receiving coins for the owners," Mr. Weaver told SM. "We develop the idea by explaining that every time they win the support of a clerk or grocer in pushing our product, they are perfecting an animated nickel-in-the-slot machine which will produce coins for them continuously. This little game device has stimulated their interest in their accounts tremendously."

## Government Bulletins as Effective Sales Aids

*(Electrol and Others)*

Government Bulletins—as used by Electrol, Inc., Holcomb & Hoke and others—make effective selling material. Electrol reprints portions of Bulletin No. 109 of the Department of Agriculture in its portfolio to establish the authenticity of the statement that pressure atomizing burners are more efficient than rotary burners.

All the Government departments and many of the special organizations publish lists of reports on various subjects. Those who wish to check material available should write to the Superintendent of Documents, Government Printing Office, Washington, D. C., asking him to send all lists that are likely to describe reports which bear on the subject matter sought. The Superintendent also publishes a weekly list of publications which frequently contains reports of interest to business men. This is free.

## Merchandising through Motorized Display

*(Bird & Son, Inc.)*

Many manufacturers marketing a wide variety of products in which weight presents a selling problem are finding motorized display rooms an excellent sales aid. For instance, the sales force of Bird & Son, manufacturers of building materials, uses traveling display and demonstrator cars for merchandising their line of roofing products, floor coverings, building papers, cartons, etc., to dealers, architects and builders. Besides solving the problem of carrying many and heavy samples, it enables the salesman to display the items as they would appear on a building.

There are fifty-two panels on the inside of the van, each thirty-six by twenty-six inches, on which are shown shingles, insulating materials and wall board, laid just as they would be in actual construction. The "ensemble" presentation has the advantage of encouraging the purchase of combinations of items, instead of single item in the line. The motorized demonstrations also enable salesmen to teach dealers how they can take Bird standard colors and combine them to secure a variety of effects.

According to F. H. Hird, western manager, "The demonstrations are so popular that we could follow the itinerary of a car, if necessary, by watching the stream of requests for samples that always pours in from each city it visits."



## Inspirational Material for Salesmen

(Issued by MOTOR)

Among the firms who have distributed among their salesmen the booklet called "Let's Face the Facts and Go Back to Work" are Horn & Hardart, Procter & Gamble, Liberty Mutual Insurance Company, General Electric Company and the Vacuum Oil Company. The booklet states the stern economic situation which the world is destined to face for many years, and shows how it can be made the opportunity of a century for the salesman with energy and determination to carve success out of adversity.

## Check-up on Salesmen's Knowledge of Line

(Northwestern Furniture Company)

The Northwestern Furniture Company distributes office furniture not only of its own manufacture, but also a number of nationally known lines of other manufacturers. As new catalogs are issued this firm holds a series of sales meetings for the purpose of intensive study of these new catalogs—with special attention to new items in the line, reasons for their introduction, improvements in old products and the reasons therefore, price changes, etc. Each salesman is assigned one catalog and given the job of preparing a questionnaire to cover the important points of its content. Then these questions are asked the entire group of salesmen in round table form and the men have to dig through the catalogs in question to get the necessary answers. Thus each man becomes familiar with many items in a wide line.

## Psychological Sales Talk Planning

(See page 318)

## Getting Salesmen Started Early

(Rex Cole, Inc.)

In its house-to-house division Rex Cole requires salesmen to make from forty to fifty cold canvass calls daily, during which they do not try to sell, but endeavor to make appointments for evening hours when the husband and wife can be seen together. Every sales manager who has the problem of making men do intensive canvassing knows that the first call of the day is the hardest one—if a salesman can be made to ring the first doorbell (and do it early) he will more than likely go ahead satisfactorily. This company, therefore, has worked out a simple scheme for making the first call easy.

The first call of each day is assigned for each salesman by the sales manager, and *it is always made on a user*. The call may be made to inquire if a new machine is working properly; to ask the user for names of friends who might be prospects; to deliver some small household utility article to cement the good will of the owner—or something similar. But here the salesman is usually received in a friendly manner, more than likely is told that the home-maker is highly pleased with her refrigerator and so he gets the day started in an easy, friendly, cheerful fashion.

## Telephone Sales Conferences

(Kelvinator Corporation)

With eighteen district managers scattered all over the country, from the Atlantic to the Pacific, J. S. Sayre, sales manager of Kelvinator, at Detroit, finds the practice of fifteen minutes' conversation with each man once a month by telephone mutually constructive.

## Selective Routing of Salesmen

(See page 337)

## This Idea Saves Home Demonstrations

(Norge Corporation)

Norge has worked out a plan whereby the conventional home demonstration is made unnecessary in a great majority of instances. Practically every salesman carries a cut-away rollator to demonstrate the simplicity of operation which characterizes his product. Norge Rollator Refrigeration is a term which describes the compressor which functions to afford efficient food preservation and storage, as well as to supply ice cubes and chilled beverages. Such cut-away rollators are used to supplement the sales tools given distributors, dealers and field salesmen of the several classifications. Instead of placing a complete Norge Rollator Refrigerator in the home of the prospect for trial and demonstration, the salesman sells by picture-portfolio and his sales-talk is guided by the outline which appears therein.

Comments from salesmen and dealers call the Rollator, vari-

ously, "the biggest help any Norge salesman could hope for," "the best sales aid that can be employed by Norge dealers," etc. The Philadelphia distributor has 75 per cent of his dealers equipped with the models; in metropolitan St. Louis 72 per cent of all dealers are using them.

## Making Salesmen Study Catalogs

(Gifford-Wood Company)

The experience of getting out expensive catalogs only to have the salesmen miss many of the important points, is common to many companies. The Gifford-Wood Company hit upon a questionnaire and contest scheme for inducing salesmen to get the last drop of benefit out of their catalogs that has succeeded in making their force thoroughly well-informed on the line. See SM, February 21, 1931.

## A Simple Check-up Plan for Salesmen

(Keystone Steel & Wire Company)

In order to encourage well-rounded sales presentation, the Keystone Steel & Wire Company furnishes salesmen with a "Daily Reference Memo" card which the salesmen are asked to use in their work with every prospect. The card says:

My job is not done until I

1. Show the difference between Galvanized and "Galvanized."
2. Explain the value of copper in the steel.
3. Demonstrate how the stiff stays keep the fence erect without extra support between posts.
4. Tell the dealer we can furnish hinge joint construction if preferred.
5. See that signs are prominently displayed inside and outside of the store.
6. Check up on supply of circulars and advertising on hand.
7. Place sample roll or rolls of "Red Brand" fence inside or in front of store, unless stock is in plain sight near the building.
8. Obtain up-to-date mailing list if dealer is handling our line and hasn't already sent in one.
9. Enumerate the various advertising helps such as farm papers, direct mail, radio, etc.
10. Check stock of fence on hand.
11. GET AN ORDER.

On the back of this card is a list of the products that constitute the Keystone line, as a reminder to sell the full line and not just one or two items.

## Style and Selling Aids for Salesmen

(Phoenix Hosiery Company)

Salesmen of the Phoenix Hosiery Company are supplied with complete style data about the Phoenix line, as a logical follow-through of its policy of establishing style as the cornerstone of its merchandising plan. Its advertising by radio, trade papers and direct mail—in which current colors are always the copy theme—is merchandised to the dealers by means of special portfolios carried by the salesmen, periodic style bulletins from the Phoenix Hosiery Fashion Bureau, seasonal color guides and hard-backed folders in which are inserted actual swatches of hosiery in the prevailing shades.

The bulletins are accompanied by charts indicating the colors of hosiery and shoes to be preferred as complements to specific costume shades. The salesmen thus have every sales aid they need to permit them to make buying recommendations to dealers.

## Examinations for Salesmen

(Ritter Dental Mfg. Company)

Ritter brings dealer salesmen to the home office in groups of thirty or thirty-five for a course on retail selling. Formerly the company supplied notebooks and asked the men to take notes on the lectures but it was found they were not grasping much of what was explained. Ritter thereupon instituted written examinations, with excellent results. When this was first done the class averaged but 64 per cent on the first examination; by the end of the course they averaged 90 per cent.

## Revealing Territory Potentialities

(Pepperell Manufacturing Company)

Pepperell combines data from its own sales research department on volume of business being done by them in a given territory, with data on all business of the kind in the same territory, from the Government's Retail Census of Distribution, to show salesmen and district managers the real extent of sales potentialities, thus oftentimes revealing unsuspected markets.

## Product Performance Reports (Johns-Manville Corporation)

Johns-Manville have created a series of performance reports on various products they sell, which constitute a most impressive type of selling help. These reports are somewhat like a lawyer's brief in form. They are made up jointly by technically trained JM men in collaboration with some well-known firm or person using the material reported on. They are checked in detail by the JM engineering department as well as by the user's own organization and finally approved in writing by the user—so that the whole constitutes a clear, direct, authenticated case of performance. The reports are used in personal sales work both by the Johns-Manville salesmen and sales executives and by their "approved contractors" and dealers who have complete files of the reports. Every Johns-Manville sales office in the United States, Canada, Europe and South America has a master set of these reports (there have been more than fifty to date) for reference purposes. For further details see SM August 15, 1931.

## Getting Salesmen to Push a Line (Smith-Courtney Company)

Smith-Courtney, mill supply jobbers, had the problem that troubles many jobbers—that of getting their men to push the line and not play favorites. They developed a plan for featuring "ten blue ribbon lines," and concentrating on one each month. This policy has enabled them to meet price-cutting problems and to come through the depression with a creditable record. See page 324 for their meeting plan, and article in SM, March 7, 1931, for details of the "ten blue ribbon lines."

## Helping Salesmen Sell Selectively (Graton & Knight Company)

As a means for helping the men analyze their own sales efforts, Graton & Knight give them quarterly reports of their work. In this report are shown five potential groupings of accounts (sorted according to potential value), with prospects in the man's territory broken down by these groupings. Number of accounts called on is tabulated, total number of calls made, and percentage of calls in each group. By name and location are listed the accounts the man has neglected. The salesman is asked to study this report with the idea of spending his time more effectively—devoting the larger portion of it to the better prospects.

## Pocket Cards to Guide Sales Talks (Syracuse Washing Machine Corporation)

The Syracuse Washing Machine Corporation supplies its dealers and salesmen with three pocket cards describing the most effective procedure for dryer demonstrations. The first lists ten talking points for the salesman to emphasize to the prospect. The second presents an outline of the motions through which the salesman goes as he demonstrates. The third lists twelve points to remember in the home demonstration process: "Get neighbors in if possible," etc.

## Cars Carrying Miniature Models (Pacific Fire Extinguisher Company)

A miniature portable model of a fire detection system is used by salesmen of the Pacific Fire Extinguisher Company to demonstrate their product. This model, carried on the rear of the salesman's car, is built in two sections. When the case containing the apparatus is opened there is displayed a pictorial representation of a four-story building with a street fire alarm box on the corner and a miniature fire house. By dropping a panel the salesman shows the interior of a four-story building in which the fire detection system has been installed. Merely by holding a sensitive detector in his hand, the salesman can cause it to send in an alarm, thus demonstrating the principle behind the operation of the system.

## Equal Opportunity Contests (F. E. Compton & Company)

To avoid the top-notchers' running away with all contests, Compton uses a "handicap" method which, they report, is successful in getting everybody into the game. The force is divided into four classes: A, B, C and D. The classification is based on the volume done by each salesperson during her best five weeks in each of the last two years. "We discovered practically

all of our big producers through results obtained in contests, and, better still, they discovered for themselves what they really could do if they tried," states one of the officers of the company.

## Unique Score Board Spurs Salesmen (Yawman & Erbe Mfg. Company)

A large "Sales Temperature Rising Chart" in each branch office serves to show Y & E salesmen their exact standing in comparison with other branches in a continuous series of ten-day sales contests the company now operates. The chart shows names of salesmen, calls made on a given day, sales made, monthly sales to date, portion of monthly quota made that day, and portion of monthly quota made to date. The chart carries big thermometers for each branch, and adjustable red tapes record each day's quota in terms of the monthly quota. The chart was originally developed in a successful three-month contest. The board proved so excellent as a method of indicating the standing in relation to quota that the idea was preserved and used as a permanent record of sales activities.

## Missionary Work with Architects

A number of leading concerns in the building materials field are now employing trained architects to make missionary calls on the architects who constitute their prospects. These men do not attempt to sell anything, but they are able to talk to architects and specification engineers in their own language, and are able to pass on information from sources the architects will recognize as authoritative. Where salesmen have been weak in ability to reach architects, this missionary work is proving of inestimable value.

## Written Presentation for Big Users (General Electric Company)

Recognizing that a somewhat different sales approach is necessary in order effectively to reach the industrial lamp buyer, G. E. helps the salesman with a 22-page two-color brochure entitled, "The Most for Your Money." Since cost and efficiency are the points uppermost in the mind of the large lamp user, these subjects are tackled first. A two-color chart shows that the cost of lamps is but 10 per cent or less of the cost of illumination—the current cost running 90 per cent or more. An analogy is drawn between the purchase of quality lamps and the purchase of quality tools. Discussions follow in order: Lamp life and lamp quality, good lamps at fair prices (telling why the company has inflexible discount schedules), how Mazda lamp prices have fallen since 1920, efficient service from a single source of supply, rapid delivery (with map showing location of warehouses), uniformity of product, engineering facilities available to Edison consumers, and the up-to-dateness of various types of Mazda lamps available. The presentation closes with an institutional talk about General Electric.

## Visual Manual for Retail Specialty Men (Electrolux Refrigerator Sales, Inc.)

This manual is designed for the use of retail gas appliance salesmen working for gas companies and dealers throughout the country. The cover measures 10" x 11½" and the book is of a three-ring loose-leaf type, broken by substantial tabs into six sections: Facts, Values, Details, Models, Operation, Approval. Of this manual an officer of the company states, "There was no attempt made in this sales manual to carry through a connected story. We find that where retail salesmen are beyond our control, any circumstances that break up the continuity of a too finely arranged sales talk defeats our purpose. Therefore, in this manual we have included only basic information, clearly but thoroughly illustrated, with the result that this book can be used by brilliant and poor salesmen alike. Our chances of their getting an order are greatly increased. The first edition of this book (brought out last May) was 2,000. It was sold for \$3.25 a copy. We are now printing a new edition because of the heavy demand."

The sales points established in this manual are put over largely through the use of excellent sharp half-page illustrations which bleed off the edges of the pages. (See illustration second cover.) One unusually effective idea embodied in the manual is the picturing, in color, of the various models of Electrolux, each shown against the background of a kitchen typical of the kind of room in which the model might be expected to fit.

## Better Selling Equipment for Salesmen

See Section III, pages 321 to 330.



### Eliminating Salesmen's Inquiries (Worthington Pump & Machinery Co.)

Many firms are finding that well-organized sales data can eliminate many inquiries from the field about their products and thus speed up the selling process. In a single division of Worthington the introduction of a new catalog system cut down salesmen's inquiries from 1,125 to 838 in three months. Details of the system will be found in an article which appeared in SALES MANAGEMENT for January 3, 1931.

### Regional Sales Meetings

(Bryant Heater & Mfg. Company)

Instead of a big national convention, Bryant this year held regional conventions and reported such meetings to be far more satisfactory. The main disadvantage of the old plan was that it prevented much discussion of marketing in terms of local conditions. This year, when new products were being introduced, it was necessary to plan campaigns specialized to the conditions in the different sections of the country, and to give salesmen specialized help in meeting local problems. A group of executives from the home office directed each meeting.

### Tests Dramatizing Durability

(General Electric Co. and Others)

To prove durability, a number of manufacturers have made dramatic tests of their products, then used the findings for window display and portfolio and advertising material. G.E., for example, dipped a refrigerator into the Erie Canal, dumped a ton of sand and grit over a machine, froze one into a block of ice, and subjected one to fire, and showed that none of these stopped the machine's operation.

### Gathering Prospect Tips

(Copeland Refrigerator Corporation)

Copeland's national sales champion, Carl Windel, of Springfield, Ohio, estimates that better than 50 per cent of his sales come through tips offered by friendly users. One of his plans for obtaining select prospects is to send, periodically, a check for \$1 to each user, accompanied by a letter asking for the names of ten prospects. Friendly users invariably will keep the check and submit the names, he reports.

### "Sorted" Calls Bring Business

(Stromberg Electric Company)

Taking seven calls a day as a fair average, Stromberg asks salesmen to schedule their work so as to call on two present users, three live prospects and two cold prospects each day. Thus they are constantly forging ahead into fresh fields. For details see SM August 2, 1930.

### Speeding Up Commission Men (International Fire Equipment Corp.)

International Fire Equipment increased daily sales an average of 274 per cent through a 10-Day Sales Plan, built around an effort to double the number of calls made. Details may be found in SM December 19, 1931.

### Fun Element in Contests

(Tom Huston Peanut Company)

Instead of running long, serious contests, the Tom Huston Peanut Company has found that short competitions with inexpensive, amusing prizes have a stimulating effect, without the aftermath of let-down. For details, see SM October 31, 1931.

### Luxury Product Prospects

(American Car & Foundry Company)

The American Car and Foundry Company's boat division gets leads by appointing the suburban real estate broker as a special commission dealer to pass on the names of new home renters or purchasers in his community to A C F before the news is made public and sellers of all types gang the new resident.

### Product Certification

(Yawman & Erbe and Others)

Many concerns are eliminating expensive slow missionary work on the part of the salesmen in establishing scientific reliability, through engaging one of the several recognized scientific research laboratories to test and certify their products. Those mentioned here happen to be concerns who used the facilities of the Pittsburgh Testing Laboratories for this purpose.

For instance, salesmen of the Yawman & Erbe Manufacturing Company have effective selling ammunition in the report of an investigation conducted for them by PTL. The procedure consisted of purchasing in the open market leading types of steel desks for comparative tests and analyses of same with those of Y & E. The results of this research are used as sales tools as well as for advertising copy. The report of the fire test conducted on a standard Massillon bar joist floor is used both as a mailing piece and as a selling adjunct in the men's sales kits. In the case of the Power Manufacturing Company, its selling organization makes extensive use of the product certification principle in its sales

program. Each engine manufactured and sold by this company is laboratory tested independently, and a certificate of test and performance is issued. It is found that sales resistance is considerably lowered when the purchaser is assured of satisfaction through definite proof of the operating merit of an engine as tested before it leaves the factory.

### A Picture of the Market

(Hyatt Roller Bearing Company)

At the beginning of the year Hyatt Roller Bearing Company makes each salesman call on every client and larger prospect to make a survey, bringing up to date their knowledge of the conditions in the prospect's and customer's factory as they affect the use of bearings. This gives the home office a "Quota" against which to check the salesman's performance for the year, an audit of the market and a means of making the salesman realize his immediate problem.

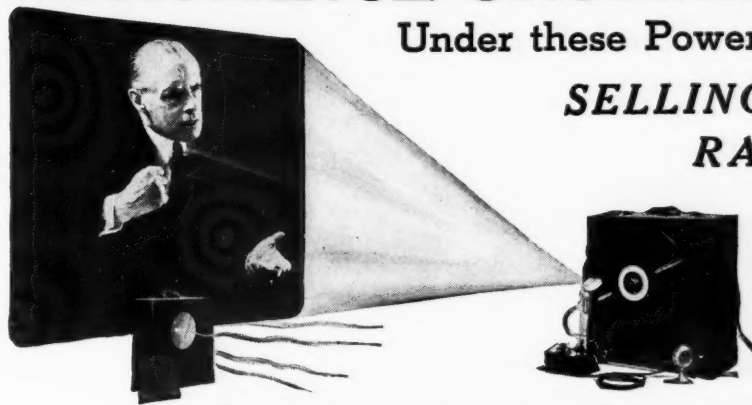
To readers interested in securing further facts about any of the plans presented in any section of this supplement SALES MANAGEMENT can supply a wealth of additional data.

Address the Readers' Service Bureau, SALES MANAGEMENT, 420 Lexington Avenue, New York City.

## RESISTANCE CRUMBLES

Under these Powerful-

**SELLING  
RAYS!**



**THINK of an almost magic device—light, compact, and easily portable—with the power to invest sales appeals with a human dramatic touch that will stir the imagination, lash the emotions, and impel immediate action!**

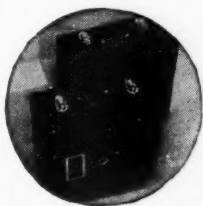
**Full details concerning the adaptation of talking pictures to sales, merchandising, advertising, and training programs, and complete information concerning film and sound production methods and costs are yours for the asking—free and without obligation. Animatophone demonstrations will gladly be arranged on request. Ask for the facts.**

Manufactured by VICTOR ANIMATOGRAPH CORP.  
Davenport, Iowa

Distributed by NATIONAL THEATRE SUPPLY CO.  
Branches in All Principal Cities

*The*  
**ANIMATOPHONE**

16 mm "Talkies" are  
Alive with the Punch  
and Conviction  
Needed in Your 1932  
Sales Program.





## Examine The Facilities

**W**HEN you select a talking picture producer, make certain that he has the production facilities required and the organization necessary to give you the most for your money,—exclusively under his own command.

Jam Handy Picture Service offers all the necessities,—including a complete and specialized creative staff, fully equipped studios operated by permanently employed technicians, and a national screening service to assure your picture being shown correctly anywhere in the United States.

Today, the business world is revising its conception of the field for commercial talking pictures. Sales Managers have found the following uses among the most effective:

**DRAMATIZING SALES MANAGEMENT:**  
“Sale Mates” for the Buick Motor Company.

**CUTTING SALES CONVENTION COSTS:**  
“Every Third Wheel” for the Goodyear Tire & Rubber Company.

**TRAINING RETAIL STORE PERSONNEL:**  
“Soda Fountain Service,” for the Coca-Cola Company.

**ILLUSTRATING A NEW SALES PLAN:**  
“Cold Cash,” for the Frigidaire Corporation.

*Our organization is devoted almost exclusively to improving what happens when a dealer, salesman or service man contacts with prospective buyers.*

## Jam Handy Picture Service

Jamison Handy, President



New York, Chicago, Detroit



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